Senate Bill No. 84

CHAPTER 177

An act to amend Section 17706 of, and to add Section 17601 to, the Family Code, to amend Sections 1534, 1569.33, 1597.09, 1597.55a, 11831.2, 11831.5, 11834.03, 11834.15, and 11999.30 of, to amend and renumber Section 11834 of, and to add Chapter 7.3 (commencing with Section 11833.01) to Part 2 of Division 10.5 of, the Health and Safety Code, to amend Sections 366.21, 366.22, 4684, 9102, 9719, 10506, 11320.32, 11367, 11453, 11461, 11462, 11463, 11465, 11466.24, 12201, 12304.4, 14124.93, 16121, 16122, and 16605 of, to add Sections 10534.5, 11466.23, 11466.235, 16121.01, and 18939.5 to, to repeal Article 4.75 (commencing with Section 11380) of Chapter 2 of Part 3 of Division 9 of, to repeal and amend Sections 11363 and 11364 of, and to repeal and add Section 11464 of, the Welfare and Institutions Code, relating to human services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 24, 2007. Filed with Secretary of State August 24, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

SB 84, Committee on Budget and Fiscal Review. Human Services.

Existing federal law provides for allocation of federal funds through the federal Temporary Assistance for Needy Families (TANF) block grant program to eligible states. Existing law provides for the California Work Opportunity and Responsibility to Kids (CalWORKs) program under which, through a combination of state and county funds and federal funds received through the TANF program, each county provides cash assistance and other benefits to qualified low-income families.

Existing law requires the Department of Child Support Services, beginning July 1, 1999, to pay to each county a child support incentive for child support collections. Additionally, effective July 1, 2000, existing law provides that the 10 counties with the best performance standards shall receive an additional 5% of the state's share of the counties' collections that are used to reduce or repay aid that is paid under the CalWORKs program. Existing law requires the counties to use the additional funds for specified child support related activities. Existing law suspends the payment of this additional 5% for fiscal years 2002–03 to 2006–07, inclusive.

This bill would extend the suspension of the 5% payment through the 2007–08 fiscal year.

This bill would require the department to provide to the Legislature, and post on its Web site, specified data and information relating to child support collections, and also to require counties to post a link to that data and information on their Web sites. The bill also would require the department

to update the Legislature during the annual budget subcommittee hearing process commencing in 2008, on the state and local progress on child support federal performance measures and collections, as specified.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, and under which qualified low-income persons receive health care services. Existing law requires the Department of Child Support Services to provide payments to the local child support agency of $50 per case for obtaining 3rd-party health coverage or insurance of beneficiaries, to the extent that funds are appropriated in the Budget Act. Under existing law, these payments are suspended for fiscal years 2003–04 to 2006–07, inclusive.

This bill would extend the suspension of payments to local child support agencies through the 2007–08 fiscal year.

Under existing law, the State Department of Social Services regulates the licensure and operation of various community care facilities, residential care facilities for the elderly, child day care centers, and family day care homes. Existing law requires the department to conduct annual unannounced visits to these facilities under designated circumstances. Existing law further requires the department to conduct annual unannounced visits to no less than 20% of the remaining facilities, based on a random sampling methodology developed by the department. If the total citations issued by the department exceed the previous year's by 10%, existing law requires the department to increase the random sample by 10% the following year, and authorizes the department to request additional resources for this purpose.

This bill would require the department to suspend implementation of the provisions requiring a 10% increase of the random sample for the 2007–08 fiscal year. The bill would require the department to submit trailer bill language to the Legislature on or before February 1, 2008, that reflects appropriate indicators to trigger an annual increase in the number of facilities for which the department conducts unannounced visits, as specified.

Under existing law, the State Department of Alcohol and Drug Programs is responsible for licensing and certifying alcoholism and drug abuse recovery and treatment programs and facilities, including both residential and nonresidential programs. Existing law authorizes the department to charge a reasonable fee for the certification or renewal of certification of alcohol and drug programs that voluntarily request that certification, but prohibits the department from levying a fee for certification of nonprofit organizations or local governmental entities for these purposes. Existing law also requires the department to calculate and establish the fee for licensure of residential alcoholism and drug abuse recovery or treatment facilities, as defined.

This bill would revise existing law relating to the establishment of fees for residential and nonresidential alcoholism and drug abuse recovery or treatment facilities and programs, by requiring the department to charge a fee to license or certify all programs, regardless of the form of organization or ownership of the program. The bill would require the department to

submit the new or revised fees to the Legislature for approval, prior to implementation. The bill would establish the Residential and Outpatient Program Licensing Fund, consisting of specified fees, fines, and penalties. The bill would require the money in the fund, upon appropriation by the Legislature, to be used to support the department's licensing and certification activities. The bill would make various conforming changes.

The Substance Abuse and Crime Prevention Act of 2000, enacted by initiative statute (Proposition 36), established the Substance Abuse Treatment Trust Fund within the State Treasury to be continuously appropriated for carrying out the purposes of the act relating to diverting from incarceration into community-based substance abuse treatment programs, nonviolent defendants, probationers, and parolees charged with simple drug possession or drug use offenses.

Existing law establishes the Substance Abuse Offender Treatment Program, until July 1, 2009, pursuant to which the State Department of Alcohol and Drug Programs distributes funds to counties that meet designated eligibility criteria, for the purpose of improving county treatment practices with respect to substance abuse offenders. Under the program, the maximum amount that a county may receive is not permitted to exceed 30% of the county's allocation from the department for that fiscal year from the Substance Abuse Treatment Trust Fund. Existing law authorizes the department to implement the Substance Abuse Offender Treatment Program by all-county letters or similar instructions for the 2006–07 fiscal year, pending the adoption of emergency regulations.

This bill would revise the requirements of the Substance Abuse Offender Treatment Program, including deleting the maximum allowable amount allocated to counties and the July 2009 repeal date, and by revising county eligibility requirements. The bill also would extend the department's authority to implement the program by all-county letters through the 2007–08 fiscal year and to implement these provisions by emergency regulations commencing with the 2008–09 fiscal year.

Existing law, the Mello-Granlund Older Californians Act, establishes the California Department of Aging in the California Health and Human Services Agency. Under existing law, the department's mission is to provide leadership to the area agencies on aging in developing systems of home- and community-based services that maintain individuals in their own homes or least restrictive homelike environments. Existing law sets forth the duties and powers of the department, including requiring the department to submit specified information annually to the Legislature and the Legislative Analyst regarding the number of persons served by programs and services administered by the department, and expenditures related to these programs and services.

This bill would suspend this reporting requirement until the 2010–11 fiscal year, but would, instead, require the department to annually submit copies of program fact sheets for each state and federal program administered by the department, as specified.

Existing law establishes within the California Department of Aging, the Office of the State Long-Term Care Ombudsman, to promote the development, coordination, and utilization of resources to meet the long-term care needs of older individuals. Existing law requires the office to sponsor a meeting of representatives of approved organizations at least twice each year, and to provide training to these representatives as appropriate. Existing law requires that the department have a criminal record clearance conducted by the State Department of Social Services prior to certifying an individual as an ombudsman. Existing law further requires ombudsmen to receive 36 hours of training approved by the office annually, and 12 hours of additional training annually.

This bill additionally would require the department to issue a card identifying an individual as an ombudsman, following the criminal record clearance and acceptance by the office. The bill would specify that the 36 hours of training that is required to be approved by the office is to be classroom training. This bill would revise the duties of the department and the State Department of Social Services in conducting the criminal record clearance procedures, as specified.

Existing law requires various state departments, including the Department of Rehabilitation, to submit to the Department of Finance for approval all assumptions underlying all estimates used to develop the departments' budgets by September 10 of each year, and to submit revisions to these assumptions by March 1 of the following year.

This bill would revise the requirements applicable to the Department of Rehabilitation of submission of assumptions and estimates of case services expenditures, and would require the department to forward this information to specified committees of the Legislature, if the Department of Finance has not already released the information.

Existing law requires each county to develop and, as needed, update, a plan describing how the county intends to deliver the activities and services necessary to move CalWORKs recipients from welfare to work. Existing law requires each county to review that plan, and prepare and submit to the department a plan addendum detailing how the county will meet specified performance goals for the CalWORKs program.

This bill would require the department to review these county plans, work with the County Welfare Directors Association and county welfare directors to address designated issues related to sanctioned families and time-limited families in the CalWORKs program, and report this information to the Legislature by September 1, 2008.

Existing law requires the State Department of Social Services to administer a voluntary Temporary Assistance Program (TAP), to provide cash assistance and other benefits, commencing no later than April 1, 2007, to specified current and future CalWORKs recipients who meet the exemption criteria for participation in welfare-to-work activities, and are not single parents who have a child under one year of age. Existing law allows the department to suspend implementation of the TAP until October 1, 2007, under specified circumstances.

This bill would revise these provisions to require, instead, that the TAP commence on or before April 1, 2009, with no provision for suspending the program's implementation.

Existing law, through the Kinship Guardianship Assistance Payment Program (Kin-GAP), which is a part of the CalWORKs Program, provides aid on behalf of eligible children who are placed in the home of a relative caretaker, and limits the application of the program to children who have been adjudged a dependent child of the juvenile court and whose dependency has been dismissed on or after January 1, 2000, concurrently or subsequent to the establishment of the kinship guardianship. The program is funded by state and county funding and available federal funds.

Existing law also requires the State Department of Social Services to establish the Kin-GAP Plus Program, as an optional alternative to the Kin-GAP Program, with similar eligibility and administrative provisions, except that the Kin-GAP Plus Program additionally applies to certain delinquent children who have been declared wards of the juvenile court and whose wardships have been terminated, and would include payments for a specialized care increment and clothing allowance, under certain circumstances.

This bill would repeal the Kin-GAP Plus Program, and effective October 1, 2006, would extend benefits under the Kin-GAP Program to children who would have been covered by the Kin-GAP Plus Program, as specified. The bill would make various conforming changes.

Existing law requires each county to provide cash assistance and other social services to needy families through the CalWORKs program using federal TANF program, state, and county funds.

Existing law continuously appropriates moneys from the General Fund to defray a portion of county aid grant costs under the CalWORKs program.

Existing law, with certain exceptions, requires an annual cost-of-living adjustment to be made in maximum aid payments provided to needy families under the CalWORKs program.

This bill would provide that no adjustment shall be made to the maximum aid payment for the purpose of increasing CalWORKs benefits for the 2007–08 fiscal year.

Existing law establishes the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program, under which counties provide payments to foster care providers on behalf of qualified children in foster care, pursuant to a schedule of basic rates. The program is funded by a combination of federal, state, and county funds, with moneys from the General Fund being continuously appropriated to pay for the state's share of AFDC-FC costs. Existing law requires the schedule of basic rates to be adjusted, as specified. Under existing law, a county that receives state participation for a basic rate in excess of the amount set forth in the schedule of basic rates receives an annual increase of ½ of these percentage adjustments; however, for the 1999–2000 fiscal year, these counties receive an increase in state participation for the basic rate for the entire percentage adjustment.

This bill would require the schedule of basic rates, as adjusted pursuant to existing law, to be increased by 5%, rounded to the nearest dollar. The bill would provide that this increased rate would not be reflected in specified amounts paid to licensed foster family agencies, or to adoptive parents under the Adoption Assistance Program, under specified circumstances. The bill would also provide that those counties that receive state participation in excess of the basic rates shall receive an increase in state participation for the basic rate for the entire percentage adjustment for the 2007–08 fiscal year.

Under existing law, in addition to the basic rate payable for the care of a foster child under the AFDC-FC program, counties that had a clothing allowance, as defined, in effect on a specified date, are authorized to continue to receive state participation at the same level for the clothing allowance.

This bill would provide that the maximum amount of the clothing allowance for children whose foster care payment is the responsibility of Colusa, Plumas, and Tehama Counties may be up to $274 per child per year, and would require a county that elects to receive the clothing allowance to submit a Clothing Allowance Program Notification to the department, as specified.

Existing law requires payment of a supplemental clothing allowance of $100 per year, subject to the availability of funds, without a county share of cost.

This bill would require this supplemental clothing allowance to be paid for children under the Kin-GAP Program without a county share of cost, in accordance with a specified provision of existing law.

This bill, commencing January 1, 2008, would increase by specified percentages and amounts the rate schedules applicable to AFDC-FC payments for group homes and other designated foster care placements.

This bill would revise existing procedures related to the collection by counties of overpayments to foster care providers and adoption assistance recipients, and would impose related duties on the State Department of Social Services.

Because moneys from the General Fund are continuously appropriated to pay for the state’s share of the AFDC-FC and Kin-GAP programs, by increasing state costs under these programs, this bill would make an appropriation.

Existing law provides for the State Supplementary Program for the Aged, Blind and Disabled (SSP), which requires the State Department of Social Services to contract with the United States Secretary of Health and Human Services to make payments to SSP recipients to supplement supplemental security income (SSI) payments made available pursuant to the federal Social Security Act.

Under existing law, benefit payments under the SSP program are calculated by establishing the maximum level of nonexempt income and federal SSI and state SSP benefits for each category of eligible recipient. The state SSP payment is the amount, when added to the nonexempt income

and SSI benefits available to the recipient, which would be required to provide the maximum benefit payment.

Existing state law provides, except in certain calendar years, for the annual adjustment of the total level of combined state and federal benefits as established by statutory schedule to reflect changes in the cost of living, as defined.

Existing law provides that, commencing with the 2007 calendar year and thereafter, in any calendar year in which no cost of living adjustment is made to the payment schedules, there shall be a pass along of any cost-of-living increases in federal SSI benefits.

This bill would provide that commencing with the 2008 calendar year, the annual adjustment would be effective from June 1 to May 31, inclusive, of the following calendar year.

The bill would specify, however, that the pass along of federal benefits shall continue to be effective on January 1 of each calendar year.

Existing law provides for the county-administered In-Home Supportive Services (IHSS) program, under which qualified aged, blind, and disabled persons are provided with services in order to permit them to remain in their own homes and avoid institutionalization. Existing law permits services to be provided under the IHSS program either through the employment of individual providers, a contract between the county and an entity for the provision of services, the creation by the county of a public authority, or a contract between the county and a nonprofit consortium.

Existing law requires the State Department of Social Services to establish a program of direct deposit by electronic transfer for payments to in-home supportive services providers, and requires the department, the Controller, and the California Health and Human Services Agency to make all necessary automation changes to allow for payment by direct deposit.

This bill would require the department to establish the direct deposit program, in cooperation with the Controller, on or before June 30, 2008.

Existing law provides for the Adoption Assistance Program (AAP), to be established and administered by the State Department of Social Services or the county, for the purpose of benefitting children residing in foster homes by providing the stability and security of permanent homes. The program provides for the payment by the department and counties, of cash assistance to eligible families that adopt eligible children, and bases the amount of the payment on the needs of the child and the resources of the family to meet those needs. Under existing law, from funds appropriated for this purpose, the state compensates licensed private adoption agencies for otherwise unreimbursed costs of placing certain children. Effective July 1, 1999, the maximum reimbursement amount was $5,000.

This bill would increase the maximum reimbursement amount to $10,000, effective February 1, 2008, for cases for which the adoptive home study approval occurred on or after July 1, 2007. The bill would also require the department to review the reimbursement methodology for the AAP and provide specified information to the fiscal committees of the Legislature,

commencing with the budget subcommittee hearings for the 2008–09 fiscal year.

Existing law, the Lanterman Developmental Disabilities Services Act, requires the State Department of Developmental Services to allocate funds to private nonprofit regional centers for the provision of community services and supports for persons with developmental disabilities and their families.

Under existing law, the cost of providing 24-hour out-of-home nonmedical care and supervision in community care facilities for children who receive both AFDC-FC benefits and regional center services funded by the AFDC-FC program.

This bill would revise rates under the AFDC-FC program and AAP for children who are also regional center consumers. The bill would require regional centers to separately purchase or secure services contained in the child's Individualized Family Service Plan (IFSP) or Individual Program Plan (IPP). The bill would also revise the AFDC-FC rates for 24-hour out-of-home nonmedical care and supervision for these children in community care facilities, and would require the rates to be adjusted annually, as specified.

This bill would provide that the rates established by the bill would apply to AFDC-FC eligibility determinations, and adoption assistance agreements signed, on and after July 1, 2007. The bill, however, would require rates lower than those in effect as of July 1, 2007, to be raised to the levels established by the bill, and to remain in effect unless a change in the child's circumstances or eligibility warrants redetermination of the rate. This bill would provide for the adoption of emergency regulations to implement these provisions.

By increasing the state's level of participation in AFDC-FC and AAP rates, this bill would make an appropriation.

Existing law requires the State Department of Social Services to establish and supervise a county- or county consortia-administered program to provide cash assistance to aged, blind, and disabled legal immigrants who are not citizens and who successfully complete an application process. Existing law requires any person found by the department to be eligible for federal SSI benefits to be required to apply for those benefits. Under existing law, an individual who fully cooperates in the Social Security Administration's application and appeal process may continue to receive cash assistance benefits, and remains eligible for those benefits if he or she receives an unfavorable decision from the Social Security Administration.

This bill would revise these provisions to authorize recipients who naturalize while receiving cash assistance benefits to continue to be eligible for cash assistance benefits until he or she receives SSI benefits, or has exhausted all appeals for the initial SSI application.

Existing law provides for subsidized child care programs for eligible persons, including recipients of benefits under the CalWORKs program, which are administered by the State Department of Education.

This bill would require the department to conduct a study and submit a report to the Legislature, by September 2008, to establish best statewide

practices for the prevention, detection, identification, and investigation of improper payments and fraud in all subsidized child care programs. The bill would specify the required components of the study.

Existing law established the Department of Rehabilitation within the California Health and Human Services Agency. The duties of the department include the administration of various programs to establish employment opportunities for individuals with disabilities, including the Supported Employment Program (SEP) and the Work Activity Program (WAP).

This bill would require the department to count the number of SEP and WAP consumers served by the department in the 2007–08 fiscal year, the cost of providing those services, and to identify funding options if the costs are projected to exceed the amount budgeted for SEP and WAP consumer activities, under designated circumstances. The bill would require the department to submit this information to the budget and fiscal committees of the Legislature, as specified, and also to submit a proposed methodology for projecting caseload and funding growth in the SEP and the WAP for the 2008–09 and subsequent fiscal years.

This bill would require any funds remaining of the amount appropriated in a specified item of the 2007 Budget Act for reimbursement of food banks and Foodlink for certain food storage and transportation costs associated with the 2006–07 freeze to be expended to respond to other emergency food needs throughout the state.

Existing law requires the Department of Justice to maintain an index, identified as the Child Abuse Central Index (CACI), of all reports of child abuse and severe neglect, as specified. Existing law requires that the CACI be checked under various circumstances, including before the State Department of Social Services grants a license or otherwise approves an individual to care for children, or in other situations involving the out-of-home placement of a child.

This bill would require the State Department of Social Services, in consultation with the County Welfare Directors Association, to track actual county costs in the 2007–08 fiscal year to implement a specified court case settlement requiring counties to implement a notification and grievance process for individuals listed on the CACI.

Existing law requires certain participants in the CalWORKs program to participate in specified welfare-to-work activities.

This bill would require the State Department of Social Services to provide options for consideration by the administration and the Legislature for increasing the state's CalWORKs welfare-to-work participation, and to submit these options to designated legislative committees on or before October 1, 2007.

Existing law extends eligibility for certain transitional housing placement program services that are available to foster youth to a person less than 24 years of age who has emancipated from the foster care system in a county that has elected to participate in a transitional housing placement program for youths between 18 and 24 years of age, provided that the person has not received these services for more than a total of 24 months.

This bill would authorize up to $10,525,000 of the amount appropriated in a specified item of the 2007 Budget Act for the Transitional Housing Program Plus to be used for eligible costs incurred in the 2006–07 fiscal year.

This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 17601 is added to the Family Code, to read:

17601. The department shall provide to the Legislature actual performance data on child support collections within 60 days of the end of each quarter. This data shall include all comparative data for managing program performance currently provided to local child support agencies, including national, state, and local performance data, as available. The department shall prominently post the data on its Web site, and shall require all local child support agency Web sites to prominently post a link to the state Web site. The department shall update the Legislature during the annual budget subcommittee hearing process, commencing in 2008, on the state and local progress on child support federal performance measures and collections.

SEC. 2. Section 17706 of the Family Code is amended to read:

17706. (a) It is the intent of the Legislature to encourage counties to elevate the visibility and significance of the child support enforcement program in the county. To advance this goal, effective July 1, 2000, the counties with the 10 best performance standards pursuant to clause (ii) of subparagraph (B) of paragraph (2) of subdivision (b) of Section 17704 shall receive an additional 5 percent of the state's share of those counties' collections that are used to reduce or repay aid that is paid pursuant to Article 6 (commencing with Section 11450) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code. The counties shall use the increased recoupment for child support-related activities that may not be eligible for federal child support funding under Part D of Title IV of the Social Security Act, including, but not limited to, providing services to parents to help them better support their children financially, medically, and emotionally.

(b) The operation of subdivision (a) shall be suspended for the 2002–03, 2003–04, 2004–05, 2005–06, 2006–07, and 2007–08 fiscal years.

SEC. 3. Section 1534 of the Health and Safety Code is amended to read:

1534. (a) (1) Every licensed community care facility shall be subject to unannounced visits by the department. The department shall visit these facilities as often as necessary to ensure the quality of care provided.

(A) The department shall conduct an annual unannounced visit to a facility under any of the following circumstances:

(i) When a license is on probation.

(ii) When the terms of agreement in a facility compliance plan require an annual evaluation.

(iii) When an accusation against a licensee is pending.

(iv) When a facility requires an annual visit as a condition of receiving federal financial participation.

(v) In order to verify that a person who has been ordered out of a facility by the department is no longer at the facility.

(B) (i) The department shall conduct annual unannounced visits to no less than 20 percent of facilities not subject to an evaluation under subparagraph (A). These unannounced visits shall be conducted based on a random sampling methodology developed by the department.

(ii) If the total citations issued by the department exceed the previous year's total by 10 percent, the following year the department shall increase the random sample by an additional 10 percent of the facilities not subject to an evaluation under subparagraph (A). The department may request additional resources to increase the random sample by 10 percent.

(C) Under no circumstance shall the department visit a community care facility less often than once every five years.

(D) In order to facilitate direct contact with group home clients, the department may interview children who are clients of group homes at any public agency or private agency at which the client may be found, including, but not limited to, a juvenile hall, recreation or vocational program, or a nonpublic school. The department shall respect the rights of the child while conducting the interview, including informing the child that he or she has the right not to be interviewed and the right to have another adult present during the interview.

(2) The department shall notify the community care facility in writing of all deficiencies in its compliance with the provisions of this chapter and the rules and regulations adopted pursuant to this chapter, and shall set a reasonable length of time for compliance by the facility.

(3) Reports on the results of each inspection, evaluation, or consultation shall be kept on file in the department, and all inspection reports, consultation reports, lists of deficiencies, and plans of correction shall be open to public inspection in the county in which the facility is located.

(b) (1) Nothing in this section shall limit the authority of the department to inspect or evaluate a licensed foster family agency, a certified family home, or any aspect of a program where a licensed community care facility is certifying compliance with licensing requirements.

(2) Upon a finding of noncompliance by the department, the department may require a foster family agency to deny or revoke the certificate of approval of a certified family home, or take other action the department may deem necessary for the protection of a child placed with the family home. The family home shall be afforded the due process provided pursuant to this chapter.

(3) If the department requires a foster family agency to deny or revoke the certificate of approval, the department shall serve an order of denial or revocation upon the certified or prospective foster parent and foster family

agency that shall notify the certified or prospective foster parent of the basis of the department's action and of the certified or prospective foster parent's right to a hearing.

(4) Within 15 days after the department serves an order of denial or revocation, the certified or prospective foster parent may file a written appeal of the department's decision with the department. The department's action shall be final if the certified or prospective foster parent does not file a written appeal within 15 days after the department serves the denial or revocation order.

(5) The department's order of the denial or revocation of the certificate of approval shall remain in effect until the hearing is completed and the director has made a final determination on the merits.

(6) A certified or prospective foster parent who files a written appeal of the department's order with the department pursuant to this section shall, as part of the written request, provide his or her current mailing address. The certified or prospective foster parent shall subsequently notify the department in writing of any change in mailing address, until the hearing process has been completed or terminated.

(7) Hearings held pursuant to this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Division 3 of Title 2 of the Government Code. In all proceedings conducted in accordance with this section the standard of proof shall be by a preponderance of the evidence.

(8) The department may institute or continue a disciplinary proceeding against a certified or prospective foster parent upon any ground provided by this section, enter an order denying or revoking the certificate of approval, or otherwise take disciplinary action against the certified or prospective foster parent, notwithstanding any resignation, withdrawal of application, surrender of the certificate of approval, or denial or revocation of the certificate of approval by the foster family agency.

(9) A foster family agency's failure to comply with the department's order to deny or revoke the certificate of employment by placing or retaining children in care shall be grounds for disciplining the licensee pursuant to Section 1550.

SEC. 4. Section 1569.33 of the Health and Safety Code is amended to read:

1569.33. (a) Every licensed residential care facility for the elderly shall be subject to unannounced visits by the department. The department shall visit these facilities as often as necessary to ensure the quality of care provided.

(b) The department shall conduct an annual unannounced visit of a facility under any of the following circumstances:

(1) When a license is on probation.

(2) When the terms of agreement in a facility compliance plan require an annual evaluation.

(3) When an accusation against a licensee is pending.

(4) When a facility requires an annual visit as a condition of receiving federal financial participation.

(5) In order to verify that a person who has been ordered out of the facility for the elderly by the department is no longer at the facility.

(c) (1) The department shall conduct annual unannounced visits to no less than 20 percent of facilities not subject to an evaluation under subdivision (b). These unannounced visits shall be conducted based on a random sampling methodology developed by the department.

(2) If the total citations issued by the department exceed the previous year's total by 10 percent, the following year the department shall increase the random sample by 10 percent of the facilities not subject to an evaluation under subdivision (b). The department may request additional resources to increase the random sample by 10 percent.

(d) Under no circumstance shall the department visit a residential care facility for the elderly less often than once every five years.

(e) The department shall notify the residential care facility for the elderly in writing of all deficiencies in its compliance with the provisions of this chapter and the rules and regulations adopted pursuant to this chapter, and shall set a reasonable length of time for compliance by the facility.

(f) Reports on the results of each inspection, evaluation, or consultation shall be kept on file in the department, and all inspection reports, consultation reports, lists of deficiencies, and plans of correction shall be open to public inspection in the county in which the facility is located.

(g) As a part of the department's annual evaluation process, the department shall review the plan of operation, training logs, and marketing materials of any residential care facility for the elderly that advertises or promotes special care, special programming, or a special environment for persons with dementia to monitor compliance with Sections 1569.626 and 1569.627.

SEC. 5. Section 1597.09 of the Health and Safety Code is amended to read:

1597.09. (a) Each licensed child day care center shall be subject to unannounced visits by the department. The department shall visit these facilities as often as necessary to ensure the quality of care provided.

(b) The department shall conduct an annual unannounced visit to a licensed child day care center under any of the following circumstances:

(1) When a license is on probation.

(2) When the terms of agreement in a facility compliance plan require an annual evaluation.

(3) When an accusation against a licensee is pending.

(4) In order to verify that a person who has been ordered out of a child day care center by the department is no longer at the facility.

(c) (1) The department shall conduct an annual unannounced visit to no less than 20 percent of facilities not subject to an evaluation under subdivision (b). These unannounced visits shall be conducted based on a random sampling methodology developed by the department.

(2) If the total citations issued by the department exceed the previous year's total by 10 percent, the following year the department shall increase the random sample by 10 percent of facilities not subject to an evaluation under subdivision (b). The department may request additional resources to increase the random sample by 10 percent.

(d) Under no circumstance shall the department visit a licensed child day care center less often than once every five years.

SEC. 6. Section 1597.55a of the Health and Safety Code is amended to read:

1597.55a. Every family day care home shall be subject to unannounced visits by the department as provided in this section. The department shall visit these facilities as often as necessary to ensure the quality of care provided.

(a) The department shall conduct an announced site visit prior to the initial licensing of the applicant.

(b) The department shall conduct an annual unannounced visit to a facility under any of the following circumstances:

(1) When a license is on probation.

(2) When the terms of agreement in a facility compliance plan require an annual evaluation.

(3) When an accusation against a licensee is pending.

(4) In order to verify that a person who has been ordered out of a family day care home by the department is no longer at the facility.

(c) (1) The department shall conduct annual unannounced visits to no less than 20 percent of facilities not subject to an evaluation under subdivision (b). These unannounced visits shall be conducted based on a random sampling methodology developed by the department.

(2) If the total citations issued by the department exceed the previous year's total by 10 percent, the following year the department shall increase the random sample by 10 percent of the facilities not subject to an evaluation under subdivision (b). The department may request additional resources to increase the random sample by 10 percent.

(d) Under no circumstance shall the department visit a licensed family day care home less often than once every five years.

(e) A public agency under contract with the department may make spot checks if it does not result in any cost to the state. However, spot checks shall not be required by the department.

(f) The department or licensing agency shall make an unannounced site visit on the basis of a complaint and a followup visit as provided in Section 1596.853.

(g) An unannounced site visit shall adhere to both of the following conditions:

(1) The visit shall take place only during the facility's normal business hours or at any time family day care services are being provided.

(2) The inspection of the facility shall be limited to those parts of the facility in which family day care services are provided or to which the children have access.

(h) The department shall implement this section during periods that Section 1597.55b is not being implemented in accordance with Section 18285.5 of the Welfare and Institutions Code.

SEC. 7. Section 11831.2 of the Health and Safety Code is amended to read:

11831.2. The department shall charge a fee for the certification of programs, in accordance with Chapter 7.3 (commencing with Section 11833.01).

SEC. 8. Section 11831.5 of the Health and Safety Code is amended to read:

11831.5. (a) Certification shall be granted by the department pursuant to this section to any qualified alcoholism or drug abuse recovery or treatment program, regardless of the source of the program's funding, upon approval of a completed application and payment of the required fee. The certification shall be valid for a period of not more than two years. The department may extend the certification period upon receipt of an application for renewal and payment of the required certification fee prior to the expiration date of the certification.

(b) The purposes of certification under this section shall be all of the following:

(1) To identify programs that exceed minimal levels of service quality, are in substantial compliance with the department's standards, and merit the confidence of the public, third-party payers, and county alcohol and drug programs.

(2) To encourage programs to meet their stated goals and objectives.

(3) To encourage programs to strive for increased quality of service through recognition by the state and by peer programs in the alcoholism and drug field.

(4) To assist programs to identify their needs for technical assistance, training, and program improvements.

(c) Certification may be granted under this section on the basis of evidence satisfactory to the department that the requesting alcoholism or drug abuse recovery or treatment program has an accreditation by a statewide or national alcohol or drug program accrediting body. The accrediting body shall provide accreditation that meets or exceeds the department's standards and is recognized by the department.

(d) Certification, or the lack thereof, shall not convey any approval or disapproval by the department, but shall be for information purposes only.

(e) The standards developed pursuant to Section 11830 and the certification under this section shall satisfy the requirements of Section 1463.16 of the Penal Code.

(f) The department and the State Department of Social Services shall enter into a memorandum of understanding to establish a process by which the Department of Alcohol and Drug Programs can certify residential facilities or programs serving primarily adolescents, as defined in paragraph (1) of subdivision (a) of Section 1502, that have programs that primarily

serve adolescents and provide alcohol and other drug recovery or treatment services.

(g) Regulations adopted by the department pursuant to this section shall be adopted as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and for the purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of these regulations is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, including subdivision (e) of Section 11346.1 of the Government Code, any emergency regulations adopted pursuant to this section shall be filed with, but not be repealed by, the Office of Administrative Law and shall remain in effect until revised by the department. Nothing in this subdivision shall be interpreted to prohibit the department from adopting subsequent amendments on a nonemergency basis or as emergency regulations in accordance with the standards set forth in Section 11346.1 of the Government Code.

SEC. 9. Chapter 7.3 (commencing with Section 11833.01) is added to Part 2 of Division 10.5 of the Health and Safety Code, to read:

Chapter 7.3. Licensing and Certification Program Funding

11833.01. This chapter applies to all programs, facilities, or services certified pursuant to Chapter 7 (commencing with Section 11830) or licensed pursuant to Chapter 7.5 (commencing with Section 11834.01), or both.

11833.02. (a) The department shall charge a fee to all programs for licensure or certification by the department, regardless of the form of organization or ownership of the program.

(b) The department may establish fee scales using different capacity levels, categories based on measures other than program capacity, or any other category or classification that the department deems necessary or convenient to maintain an effective and equitable fee structure.

(c) Licensing and certification fees shall be evaluated annually, taking into consideration the overall cost of the residential and outpatient licensing and certification activities of the department, including initial issuance, renewals, complaints, enforcement activity, related litigation, and any other program activity relating to licensure and certification, plus a reasonable reserve.

(d) The department shall submit any proposed new fees or fee changes to the Legislature for approval no later than April 1 of each year as part of the spring finance letter process. No new fees or fee changes shall be implemented without legislative approval.

(e) Unless funds are specifically appropriated from the General Fund in the annual Budget Act or other legislation to support the division, the

Licensing and Certification Division, no later than the beginning of the 2010–11 fiscal year, shall be supported entirely by federal funds and special funds.

11833.03. The Residential and Outpatient Program Licensing Fund is hereby established in the State Treasury. All fees, fines, and penalties collected from residential and outpatient programs collected in accordance with this chapter shall be deposited in this fund. The money in the fund shall be available upon appropriation by the Legislature for the purposes of supporting the licensing and certification activities of the department.

11833.04. (a) Notwithstanding the rulemaking provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, until emergency regulations are filed with the Secretary of State, the department may implement this chapter through all-county letters or similar instructions from the director. The department shall adopt emergency regulations implementing this chapter no later than September 30, 2008, unless the department provides written notification of a delay to the Chair of the Joint Legislative Budget Committee prior to that date. The notification shall include the reason for the delay, the current status of the emergency regulations, a date by which the emergency regulations shall be adopted, and a statement of need to continue use of all-county letters or similar instructions. Under no circumstances shall the adoption of emergency regulations be delayed, or the use of all-county letters or similar instructions be extended, beyond June 30, 2009.

(b) Notwithstanding any other provision of law, the adoption of regulations implementing this chapter shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare.

SEC. 10. Section 11834 of the Health and Safety Code is amended and renumbered to read:

11832.1. The department shall encourage the development of educational courses that provide core knowledge concerning alcohol and drug abuse problems and programs to personnel working within alcohol and drug abuse programs.

SEC. 11. Section 11834.03 of the Health and Safety Code is amended to read:

11834.03. Any person or entity applying for licensure shall file with the department, on forms provided by the department, all of the following:

(a) A completed written application for licensure.

(b) A fire clearance approved by the State Fire Marshal or local fire enforcement officer.

(c) A licensure fee, established in accordance with Chapter 7.3 (commencing with Section 11833.01).

SEC. 12. Section 11834.15 of the Health and Safety Code is amended to read:

11834.15. The department may assess civil penalties in accordance with Sections 11834.31 and 11834.34.

SEC. 13. Section 11999.30 of the Health and Safety Code is amended to read:

11999.30. (a) This division shall be known as the Substance Abuse Offender Treatment Program. Funds distributed under this division shall be used to serve offenders who qualify for services under the Substance Abuse and Crime Prevention Act of 2000, including any amendments thereto. Implementation of this division is subject to an appropriation in the annual Budget Act.

(b) The department shall distribute funds for the Substance Abuse Offender Treatment Program to counties that demonstrate eligibility for the program, including a commitment of county general funds or funds from a source other than the state, which demonstrates eligibility for the program. The department shall establish a methodology for allocating funds under the program, based on the following factors:

(1) The percentage of offenders ordered to drug treatment that actually begin treatment.

(2) The percentage of offenders ordered to treatment that completed the prescribed course of treatment.

(3) Any other factor determined by the department.

(c) The distribution of funds for this program to each eligible county shall be at a ratio of nine dollars ($9) for every one dollar ($1) of eligible county matching funds.

(d) County eligibility for funds under this division shall be determined by the department according to specified criteria, including, but not limited to, all of the following:

(1) The establishment and maintenance of dedicated court calendars with regularly scheduled reviews of treatment progress for persons ordered to drug treatment.

(2) The existence or establishment of a drug court, or a similar approach, and willingness to accept defendants who are likely to be committed to state prison.

(3) The establishment and maintenance of protocols for the use of drug testing to monitor offenders' progress in treatment.

(4) The establishment and maintenance of protocols for assessing offenders' treatment needs and the placement of offenders at the appropriate level of treatment.

(5) The establishment and maintenance of protocols for effective supervision of offenders on probation.

(6) The establishment and maintenance of protocols for enhancing the overall effectiveness of services to eligible parolees.

(e) The department, in its discretion, may limit administrative costs in determining the amount of eligible county match, and may limit the expenditure of funds provided under this division for administrative costs. The department may also require a limitation on the expenditure of funds provided under this division for services other than direct treatment costs, as a condition of receipt of program funds.

(f) To receive funds under this division, a county shall submit an application to the department documenting all of the following:

(1) The county's commitment of funds, as required by subdivision (b).

(2) The county's eligibility, as determined by the criteria set forth in subdivision (d).

(3) The county's plan and commitment to utilize the funds for the purposes of the program, which may include, but are not limited to, all of the following:

(A) Enhancing treatment services for offenders assessed to need them, including residential treatment and narcotic replacement therapy.

(B) Increasing the proportion of sentenced offenders who enter, remain in, and complete treatment, through activities and approaches such as colocation of services, enhanced supervision of offenders, and enhanced services determined necessary through the use of drug test results.

(C) Reducing delays in the availability of appropriate treatment services.

(D) Use of a drug court or similar model, including dedicated court calendars with regularly scheduled reviews of treatment progress, and strong collaboration by the courts, probation, and treatment.

(E) Developing treatment services that are needed but not available.

(F) Other activities, approaches, and services approved by the department, after consultation with stakeholders.

(g) The department shall audit county expenditures of funds distributed pursuant to this division. Expenditures not made in accordance with this division shall be repaid to the state.

(h) The department shall consult with stakeholders and report during annual budget hearings on additional recommendations for improvement of programs and services, allocation and funding mechanisms, including, but not limited to, competitive approaches, performance-based allocations, and sources of data for measurement.

(i) (1) For the 2006–07 and 2007–08 fiscal years, the department may implement this division by all-county letters or other similar instructions, and need not comply with the rulemaking requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Commencing with the 2008–09 fiscal year, the department may implement this section by emergency regulations, adopted pursuant to paragraph (2).

(2) Regulations adopted by the department pursuant to this division shall be adopted as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and for the purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of these regulations is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, including subdivision (e) of Section 11346.1 of the Government Code, any emergency regulations adopted pursuant to this division shall be filed

with, but not be repealed by, the Office of Administrative Law and shall remain in effect until revised by the department. Nothing in this paragraph shall be interpreted to prohibit the department from adopting subsequent amendments on a nonemergency basis or as emergency regulations in accordance with the standards set forth in Section 11346.1 of the Government Code.

SEC. 14. Section 366.21 of the Welfare and Institutions Code is amended to read:

366.21. (a) Every hearing conducted by the juvenile court reviewing the status of a dependent child shall be placed on the appearance calendar. The court shall advise all persons present at the hearing of the date of the future hearing and of their right to be present and represented by counsel.

(b) Except as provided in Sections 294 and 295, notice of the hearing shall be provided pursuant to Section 293.

(c) At least 10 calendar days prior to the hearing, the social worker shall file a supplemental report with the court regarding the services provided or offered to the parent or legal guardian to enable him or her to assume custody and the efforts made to achieve legal permanence for the child if efforts to reunify fail, including, but not limited to, efforts to maintain relationships between a child who is 10 years of age or older and has been in out-of-home placement for six months or longer and individuals who are important to the child, consistent with the child's best interests; the progress made; and, where relevant, the prognosis for return of the child to the physical custody of his or her parent or legal guardian; and shall make his or her recommendation for disposition. If the child is a member of a sibling group described in paragraph (3) of subdivision (a) of Section 361.5, the report and recommendation may also take into account those factors described in subdivision (e) relating to the child's sibling group. If the recommendation is not to return the child to a parent or legal guardian, the report shall specify why the return of the child would be detrimental to the child. The social worker shall provide the parent or legal guardian, counsel for the child, and any court-appointed child advocate with a copy of the report, including his or her recommendation for disposition, at least 10 calendar days prior to the hearing. In the case of a child removed from the physical custody of his or her parent or legal guardian, the social worker shall, at least 10 calendar days prior to the hearing, provide a summary of his or her recommendation for disposition to any foster parents, relative caregivers, and certified foster parents who have been approved for adoption by the State Department of Social Services when it is acting as an adoption agency in counties that are not served by a county adoption agency or by a licensed county adoption agency, community care facility, or foster family agency having the physical custody of the child. The social worker shall include a copy of the Judicial Council Caregiver Information Form (JV-290) with the summary of recommendations to the child's foster parents, relative caregivers, or foster parents approved for adoption, in the caregiver's primary language when available, along with information on how to file the form with the court.

(d) Prior to any hearing involving a child in the physical custody of a community care facility or a foster family agency that may result in the return of the child to the physical custody of his or her parent or legal guardian, or in adoption or the creation of a legal guardianship, the facility or agency shall file with the court a report, or a Judicial Council Caregiver Information Form (JV-290), containing its recommendation for disposition. Prior to the hearing involving a child in the physical custody of a foster parent, a relative caregiver, or a certified foster parent who has been approved for adoption by the State Department of Social Services when it is acting as an adoption agency or by a licensed adoption agency, the foster parent, relative caregiver, or the certified foster parent who has been approved for adoption by the State Department of Social Services when it is acting as an adoption agency in counties that are not served by a county adoption agency or by a licensed county adoption agency, may file with the court a report containing his or her recommendation for disposition. The court shall consider the report and recommendation filed pursuant to this subdivision prior to determining any disposition.

(e) At the review hearing held six months after the initial dispositional hearing, the court shall order the return of the child to the physical custody of his or her parent or legal guardian unless the court finds, by a preponderance of the evidence, that the return of the child to his or her parent or legal guardian would create a substantial risk of detriment to the safety, protection, or physical or emotional well-being of the child. The social worker shall have the burden of establishing that detriment. At the hearing, the court shall consider the criminal history, obtained pursuant to paragraph (1) of subdivision (f) of Section 16504.5, of the parent or legal guardian subsequent to the child's removal, provided that he or she agreed to submit fingerprint images to obtain criminal history information as part of the case plan. The failure of the parent or legal guardian to participate regularly and make substantive progress in court-ordered treatment programs shall be prima facie evidence that return would be detrimental. In making its determination, the court shall review and consider the social worker's report and recommendations and the report and recommendations of any child advocate appointed pursuant to Section 356.5; and shall consider the efforts or progress, or both, demonstrated by the parent or legal guardian and the extent to which he or she availed himself or herself to services provided.

Whether or not the child is returned to a parent or legal guardian, the court shall specify the factual basis for its conclusion that the return would be detrimental or would not be detrimental. The court also shall make appropriate findings pursuant to subdivision (a) of Section 366; and, where relevant, shall order any additional services reasonably believed to facilitate the return of the child to the custody of his or her parent or legal guardian. The court shall also inform the parent or legal guardian that if the child cannot be returned home by the 12-month permanency hearing, a proceeding pursuant to Section 366.26 may be instituted. This section does not apply

in a case where, pursuant to Section 361.5, the court has ordered that reunification services shall not be provided.

If the child was under the age of three years on the date of the initial removal, or is a member of a sibling group described in paragraph (3) of subdivision (a) of Section 361.5, and the court finds by clear and convincing evidence that the parent failed to participate regularly and make substantive progress in a court-ordered treatment plan, the court may schedule a hearing pursuant to Section 366.26 within 120 days. If, however, the court finds there is a substantial probability that the child, who was under the age of three years on the date of initial removal or is a member of a sibling group described in paragraph (3) of subdivision (a) of Section 361.5, may be returned to his or her parent or legal guardian within six months or that reasonable services have not been provided, the court shall continue the case to the 12-month permanency hearing.

For the purpose of placing and maintaining a sibling group together in a permanent home, the court, in making its determination to schedule a hearing pursuant to Section 366.26 for some or all members of a sibling group, as described in paragraph (3) of subdivision (a) of Section 361.5, shall review and consider the social worker's report and recommendations. Factors the report shall address, and the court shall consider, may include, but need not be limited to, whether the sibling group was removed from parental care as a group, the closeness and strength of the sibling bond, the ages of the siblings, the appropriateness of maintaining the sibling group together, the detriment to the child if sibling ties are not maintained, the likelihood of finding a permanent home for the sibling group, whether the sibling group is currently placed together in a preadoptive home or has a concurrent plan goal of legal permanency in the same home, the wishes of each child whose age and physical and emotional condition permits a meaningful response, and the best interest of each child in the sibling group. The court shall specify the factual basis for its finding that it is in the best interest of each child to schedule a hearing pursuant to Section 366.26 in 120 days for some or all of the members of the sibling group.

If the child was removed initially under subdivision (g) of Section 300 and the court finds by clear and convincing evidence that the whereabouts of the parent are still unknown, or the parent has failed to contact and visit the child, the court may schedule a hearing pursuant to Section 366.26 within 120 days. If the court finds by clear and convincing evidence that the parent has been convicted of a felony indicating parental unfitness, the court may schedule a hearing pursuant to Section 366.26 within 120 days.

If the child had been placed under court supervision with a previously noncustodial parent pursuant to Section 361.2, the court shall determine whether supervision is still necessary. The court may terminate supervision and transfer permanent custody to that parent, as provided for by paragraph (1) of subdivision (b) of Section 361.2.

In all other cases, the court shall direct that any reunification services previously ordered shall continue to be offered to the parent or legal guardian pursuant to the time periods set forth in subdivision (a) of Section 361.5,

provided that the court may modify the terms and conditions of those services.

If the child is not returned to his or her parent or legal guardian, the court shall determine whether reasonable services that were designed to aid the parent or legal guardian in overcoming the problems that led to the initial removal and the continued custody of the child have been provided or offered to the parent or legal guardian. The court shall order that those services be initiated, continued, or terminated.

(f) The permanency hearing shall be held no later than 12 months after the date the child entered foster care, as that date is determined pursuant to subdivision (a) of Section 361.5. At the permanency hearing, the court shall determine the permanent plan for the child, which shall include a determination of whether the child will be returned to the child's home and, if so, when, within the time limits of subdivision (a) of Section 361.5. The court shall order the return of the child to the physical custody of his or her parent or legal guardian unless the court finds, by a preponderance of the evidence, that the return of the child to his or her parent or legal guardian would create a substantial risk of detriment to the safety, protection, or physical or emotional well-being of the child. The social worker shall have the burden of establishing that detriment. At the permanency hearing, the court shall consider the criminal history, obtained pursuant to paragraph (1) of subdivision (f) of Section 16504.5, of the parent or legal guardian subsequent to the child's removal, provided that he or she agreed to submit fingerprint images to obtain criminal history information as part of the case plan. The court shall also determine whether reasonable services that were designed to aid the parent or legal guardian to overcome the problems that led to the initial removal and continued custody of the child have been provided or offered to the parent or legal guardian. For each youth 16 years of age and older, the court shall also determine whether services have been made available to assist him or her in making the transition from foster care to independent living. The failure of the parent or legal guardian to participate regularly and make substantive progress in court-ordered treatment programs shall be prima facie evidence that return would be detrimental. In making its determination, the court shall review and consider the social worker's report and recommendations and the report and recommendations of any child advocate appointed pursuant to Section 356.5, shall consider the efforts or progress, or both, demonstrated by the parent or legal guardian and the extent to which he or she availed himself or herself of services provided, and shall make appropriate findings pursuant to subdivision (a) of Section 366.

Whether or not the child is returned to his or her parent or legal guardian, the court shall specify the factual basis for its decision. If the child is not returned to a parent or legal guardian, the court shall specify the factual basis for its conclusion that the return would be detrimental. The court also shall make a finding pursuant to subdivision (a) of Section 366.

(g) If the time period in which the court-ordered services were provided has met or exceeded the time period set forth in paragraph (1), (2), or (3)

of subdivision (a) of Section 361.5, as appropriate, and a child is not returned to the custody of a parent or legal guardian at the permanency hearing held pursuant to subdivision (f), the court shall do one of the following:

(1) Continue the case for up to six months for a permanency review hearing, provided that the hearing shall occur within 18 months of the date the child was originally taken from the physical custody of his or her parent or legal guardian. The court shall continue the case only if it finds that there is a substantial probability that the child will be returned to the physical custody of his or her parent or legal guardian and safely maintained in the home within the extended period of time or that reasonable services have not been provided to the parent or legal guardian. For the purposes of this section, in order to find a substantial probability that the child will be returned to the physical custody of his or her parent or legal guardian and safely maintained in the home within the extended period of time, the court shall be required to find all of the following:

(A) That the parent or legal guardian has consistently and regularly contacted and visited with the child.

(B) That the parent or legal guardian has made significant progress in resolving problems that led to the child's removal from the home.

(C) The parent or legal guardian has demonstrated the capacity and ability both to complete the objectives of his or her treatment plan and to provide for the child's safety, protection, physical and emotional well-being, and special needs.

For purposes of this subdivision, the court's decision to continue the case based on a finding or substantial probability that the child will be returned to the physical custody of his or her parent or legal guardian is a compelling reason for determining that a hearing held pursuant to Section 366.26 is not in the best interests of the child.

The court shall inform the parent or legal guardian that if the child cannot be returned home by the next permanency review hearing, a proceeding pursuant to Section 366.26 may be instituted. The court may not order that a hearing pursuant to Section 366.26 be held unless there is clear and convincing evidence that reasonable services have been provided or offered to the parent or legal guardian.

(2) Order that a hearing be held within 120 days, pursuant to Section 366.26, but only if the court does not continue the case to the permanency planning review hearing and there is clear and convincing evidence that reasonable services have been provided or offered to the parents or legal guardians.

(3) Order that the child remain in long-term foster care, but only if the court finds by clear and convincing evidence, based upon the evidence already presented to it, including a recommendation by the State Department of Social Services when it is acting as an adoption agency in counties that are not served by a county adoption agency or by a licensed county adoption agency, that there is a compelling reason for determining that a hearing held pursuant to Section 366.26 is not in the best interest of the child because the child is not a proper subject for adoption and has no one willing to accept

legal guardianship. For purposes of this section, a recommendation by the State Department of Social Services when it is acting as an adoption agency in counties that are not served by a county adoption agency or by a licensed county adoption agency that adoption is not in the best interest of the child shall constitute a compelling reason for the court's determination. That recommendation shall be based on the present circumstances of the child and may not preclude a different recommendation at a later date if the child's circumstances change.

If the court orders that a child who is 10 years of age or older remain in long-term foster care, the court shall determine whether the agency has made reasonable efforts to maintain the child's relationships with individuals other than the child's siblings who are important to the child, consistent with the child's best interests, and may make any appropriate order to ensure that those relationships are maintained.

(h) In any case in which the court orders that a hearing pursuant to Section 366.26 shall be held, it shall also order the termination of reunification services to the parent or legal guardian. The court shall continue to permit the parent or legal guardian to visit the child pending the hearing unless it finds that visitation would be detrimental to the child. The court shall make any other appropriate orders to enable the child to maintain relationships with individuals, other than the child's siblings, who are important to the child, consistent with the child's best interests.

(i) Whenever a court orders that a hearing pursuant to Section 366.26 shall be held, it shall direct the agency supervising the child and the licensed county adoption agency, or the State Department of Social Services when it is acting as an adoption agency in counties that are not served by a county adoption agency, to prepare an assessment that shall include:

(1) Current search efforts for an absent parent or parents or legal guardians.

(2) A review of the amount of and nature of any contact between the child and his or her parents or legal guardians and other members of his or her extended family since the time of placement. Although the extended family of each child shall be reviewed on a case-by-case basis, "extended family" for the purpose of this paragraph shall include, but not be limited to, the child's siblings, grandparents, aunts, and uncles.

(3) An evaluation of the child's medical, developmental, scholastic, mental, and emotional status.

(4) A preliminary assessment of the eligibility and commitment of any identified prospective adoptive parent or legal guardian, particularly the caretaker, to include a social history including screening for criminal records and prior referrals for child abuse or neglect, the capability to meet the child's needs, and the understanding of the legal and financial rights and responsibilities of adoption and guardianship. If a proposed guardian is a relative of the minor, and the relative was assessed for foster care placement of the minor prior to January 1, 1998, the assessment shall also consider, but need not be limited to, all of the factors specified in subdivision (a) of Section 361.3.

(5) The relationship of the child to any identified prospective adoptive parent or legal guardian, the duration and character of the relationship, the motivation for seeking adoption or guardianship, and a statement from the child concerning placement and the adoption or guardianship, unless the child's age or physical, emotional, or other condition precludes his or her meaningful response, and if so, a description of the condition.

(6) A description of efforts to be made to identify a prospective adoptive parent or legal guardian, including, but not limited to, child-specific recruitment and listing on an adoption exchange.

(7) An analysis of the likelihood that the child will be adopted if parental rights are terminated.

(j) If, at any hearing held pursuant to Section 366.26, a guardianship is established for the minor with a relative, and juvenile court dependency is subsequently dismissed, the relative shall be eligible for aid under the Kin-GAP Program, as provided for in Article 4.5 (commencing with Section 11360) of Chapter 2 of Part 3 of Division 9.

(k) As used in this section, "relative" means an adult who is related to the minor by blood, adoption, or affinity within the fifth degree of kinship, including stepparents, stepsiblings, and all relatives whose status is preceded by the words "great," "great-great," or "grand," or the spouse of any of those persons even if the marriage was terminated by death or dissolution.

(*l*) For purposes of this section, evidence of any of the following circumstances may not, in and of itself, be deemed a failure to provide or offer reasonable services:

(1) The child has been placed with a foster family that is eligible to adopt a child, or has been placed in a preadoptive home.

(2) The case plan includes services to make and finalize a permanent placement for the child if efforts to reunify fail.

(3) Services to make and finalize a permanent placement for the child, if efforts to reunify fail, are provided concurrently with services to reunify the family.

(m) The implementation and operation of the amendments to subdivisions (c) and (g) enacted at the 2005–06 Regular Session shall be subject to appropriation through the budget process and by phase, as provided in Section 366.35.

SEC. 15. Section 366.22 of the Welfare and Institutions Code is amended to read:

366.22. (a) When a case has been continued pursuant to paragraph (1) of subdivision (g) of Section 366.21, the permanency review hearing shall occur within 18 months after the date the child was originally removed from the physical custody of his or her parent or legal guardian. The court shall order the return of the child to the physical custody of his or her parent or legal guardian unless the court finds, by a preponderance of the evidence, that the return of the child to his or her parent or legal guardian would create a substantial risk of detriment to the safety, protection, or physical or emotional well-being of the child. The social worker shall have the burden of establishing that detriment. At the permanency review hearing, the court

shall consider the criminal history, obtained pursuant to paragraph (1) of subdivision (f) of Section 16504.5, of the parent or legal guardian subsequent to the child's removal, provided that he or she agreed to submit fingerprint images to obtain criminal history information as part of the case plan. The failure of the parent or legal guardian to participate regularly and make substantive progress in court-ordered treatment programs shall be prima facie evidence that return would be detrimental. In making its determination, the court shall review and consider the social worker's report and recommendations and the report and recommendations of any child advocate appointed pursuant to Section 356.5; shall consider the efforts or progress, or both, demonstrated by the parent or legal guardian and the extent to which he or she availed himself or herself of services provided; and shall make appropriate findings pursuant to subdivision (a) of Section 366.

Whether or not the child is returned to his or her parent or legal guardian, the court shall specify the factual basis for its decision. If the child is not returned to a parent or legal guardian, the court shall specify the factual basis for its conclusion that return would be detrimental.

If the child is not returned to a parent or legal guardian at the permanency review hearing, the court shall order that a hearing be held pursuant to Section 366.26 in order to determine whether adoption, guardianship, or long-term foster care is the most appropriate plan for the child. However, if the court finds by clear and convincing evidence, based on the evidence already presented to it, including a recommendation by the State Department of Social Services when it is acting as an adoption agency in counties that are not served by a county adoption agency or by a licensed county adoption agency, that there is a compelling reason, as described in paragraph (2) of subdivision (g) of Section 366.21, for determining that a hearing held under Section 366.26 is not in the best interest of the child because the child is not a proper subject for adoption and has no one willing to accept legal guardianship, then the court may, only under these circumstances, order that the child remain in foster care. If the court orders that a child who is 10 years of age or older remain in long-term foster care, the court shall determine whether the agency has made reasonable efforts to maintain the child's relationships with individuals other than the child's siblings who are important to the child, consistent with the child's best interests, and may make any appropriate order to ensure that those relationships are maintained. The hearing shall be held no later than 120 days from the date of the permanency review hearing. The court shall also order termination of reunification services to the parent or legal guardian. The court shall continue to permit the parent or legal guardian to visit the child unless it finds that visitation would be detrimental to the child. The court shall determine whether reasonable services have been offered or provided to the parent or legal guardian. For purposes of this subdivision, evidence of any of the following circumstances shall not, in and of themselves, be deemed a failure to provide or offer reasonable services:

(1) The child has been placed with a foster family that is eligible to adopt a child, or has been placed in a preadoptive home.

(2) The case plan includes services to make and finalize a permanent placement for the child if efforts to reunify fail.

(3) Services to make and finalize a permanent placement for the child, if efforts to reunify fail, are provided concurrently with services to reunify the family.

(b) Whenever a court orders that a hearing pursuant to Section 366.26 shall be held, it shall direct the agency supervising the child and the licensed county adoption agency, or the State Department of Social Services when it is acting as an adoption agency in counties that are not served by a county adoption agency, to prepare an assessment that shall include:

(1) Current search efforts for an absent parent or parents.

(2) A review of the amount of and nature of any contact between the child and his or her parents and other members of his or her extended family since the time of placement. Although the extended family of each child shall be reviewed on a case-by-case basis, "extended family" for the purposes of this paragraph shall include, but not be limited to, the child's siblings, grandparents, aunts, and uncles.

(3) An evaluation of the child's medical, developmental, scholastic, mental, and emotional status.

(4) A preliminary assessment of the eligibility and commitment of any identified prospective adoptive parent or legal guardian, particularly the caretaker, to include a social history including screening for criminal records and prior referrals for child abuse or neglect, the capability to meet the child's needs, and the understanding of the legal and financial rights and responsibilities of adoption and guardianship. If a proposed legal guardian is a relative of the minor, and the relative was assessed for foster care placement of the minor prior to January 1, 1998, the assessment shall also consider, but need not be limited to, all of the factors specified in subdivision (a) of Section 361.3.

(5) The relationship of the child to any identified prospective adoptive parent or legal guardian, the duration and character of the relationship, the motivation for seeking adoption or legal guardianship, and a statement from the child concerning placement and the adoption or legal guardianship, unless the child's age or physical, emotional, or other condition precludes his or her meaningful response, and if so, a description of the condition.

(6) An analysis of the likelihood that the child will be adopted if parental rights are terminated.

(c) This section shall become operative January 1, 1999. If at any hearing held pursuant to Section 366.26, a legal guardianship is established for the minor with a relative, and juvenile court dependency is subsequently dismissed, the relative shall be eligible for aid under the Kin-GAP Program, as provided for in Article 4.5 (commencing with Section 11360) of Chapter 2 of Part 3 of Division 9.

(d) As used in this section, "relative" means an adult who is related to the child by blood, adoption, or affinity within the fifth degree of kinship, including stepparents, stepsiblings, and all relatives whose status is preceded

by the words “great,” “great-great,” or “grand,” or the spouse of any of those persons even if the marriage was terminated by death or dissolution.

(e) The implementation and operation of the amendments to subdivision (a) enacted at the 2005–06 Regular Session shall be subject to appropriation through the budget process and by phase, as provided in Section 366.35.

SEC. 15.5. Section 4684 of the Welfare and Institutions Code is amended to read:

4684. (a) Notwithstanding any other provision of law, the cost of providing 24-hour out-of-home nonmedical care and supervision in community care facilities licensed or approved pursuant to Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code shall be funded by the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program pursuant to Section 11464, for children who are both AFDC-FC recipients and regional center consumers.

(b) The cost of providing adoption assistance benefits, shall be funded by the Adoption Assistance Program (AAP) under Section 16121, for children who are both AAP recipients and regional center consumers.

(c) (1) For regional center consumers who are recipients of AFDC-FC benefits, regional centers shall purchase or secure the services that are contained in the child’s Individualized Family Service Plan (IFSP) or Individual Program Plan (IPP), but which are not allowable under federal or state AFDC-FC provisions.

(2) For regional center consumers who are recipients of AAP benefits, regional centers shall purchase or secure the services that are contained in the child’s IFSP or IPP.

(3) For regional center consumers receiving services under paragraph (1) or (2), these services shall be separately purchased or secured by the regional center, pursuant to Sections 4646 to 4648, inclusive, and Section 4685, and pursuant to Sections 95018 and 95020 of the Government Code. AFDC-FC and AAP benefits shall not be counted toward the gross income calculated for the purposes of the Family Cost Participation Program pursuant to Section 4783. Recipients of AFDC-FC benefits shall not be subject to the Family Cost Participation Program requirements.

(4) Regional centers shall accept referrals for evaluations of AFDC-FC-eligible children and children receiving AAP benefits for the purpose of determining eligibility for regional center services, pursuant to Section 4642. Regional centers shall assist county welfare and probation departments in identifying appropriate placement resources for children who are recipients of AFDC-FC and who are eligible for regional center services.

(d) (1) For purposes of this section, children who are recipients of AFDC-FC and regional center services who are residing with a relative or nonrelative extended family member pursuant to paragraph (2) of subdivision (f) of Section 319 or Section 362.7, or a facility defined in paragraph (5) or (6) of subdivision (a) of Section 1502 of the Health and Safety Code that is not vendored by the regional center as a residential facility, shall not be

prohibited from receiving services defined in paragraph (38) of subdivision (a) of Section 54302 of Title 22 of the California Code of Regulations.

(2) AFDC-FC and AAP benefits shall be for care and supervision, as defined in subdivision (b) of Section 11460, and the regional centers shall separately purchase or secure other services contained in the child's IFSP or IPP pursuant to Section 4646 to 4648, inclusive, Section 4685, and Sections 95018 and 95020 of the Government Code. Notwithstanding any other provision of law or regulation, the receipt of AFDC-FC or AAP benefits shall not be cause to deny any other services that a child or family for which the child or family is otherwise eligible pursuant to this division.

(e) This section shall apply to all recipients of AFDC-FC and AAP benefits, including those with rates established prior to the effective date of the act that adds this subdivision, pursuant to Sections 11464 and 16121.

(f) Regulations adopted by the department pursuant to this section shall be adopted as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and for the purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of these regulations is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health, safety, and general welfare.

SEC. 16. Section 9102 of the Welfare and Institutions Code is amended to read:

9102. The duties and powers of the department shall be:

(a) To administer all programs under the Older Americans Act of 1965, as amended, and this division, including providing ongoing oversight, monitoring, and service quality evaluation to ensure that service providers are meeting standards of service performance established by the department. This shall include, but is not limited to, all of the following:

(1) Setting program standards and providing standard materials for training.

(2) Providing technical assistance to area agencies on aging, program managers, staff, and volunteers providing services.

(3) Development of the state plan on aging according to federal law.

(4) Maintain a clearinghouse of information related to the interests and needs of older individuals and provide referral services, if appropriate.

(5) Maintain a management information and reporting system; including a data base on service utilization patterns and demographic characteristics of the older population to be cross-classified by age, sex, race, and other information required for the planning process, and eliminate redundant and unnecessary reporting requirements.

(6) Encourage and support the involvement of volunteers in services to older individuals.

(7) Seek ways to utilize the private sector to assume greater responsibility in meeting the needs of older individuals.

(8) Encourage internships to be coordinated with schools of gerontology or related disciplines, including internships for older individuals.

(b) The department shall have primary responsibility for information received and dispersed to the area agencies on aging.

(c) The department shall be responsible for activities that promote the development, coordination, and utilization of resources to meet the long-term care needs of older individuals, consistent with its mission. The responsibilities shall include, but not be limited to, all of the following:

(1) Conduct research in the areas of alternative social and health care systems for older individuals.

(2) As specified in Section 9002, coordinate with agencies and departments that administer health, social, and related services for the purposes of policy development, development of care standards, consistency in application of policy, evaluation of alternative uses of available resources toward greater effectiveness in service delivery, including seeking additional federal and private dollars to support achievement of program goals, and ensure ongoing response to the identified special needs of the chronically impaired to provide support that maximizes their level of functioning.

(3) Monitor and evaluate programs and services administered by the department, utilizing standardized methodology.

(4) Develop and implement training and technical assistance programs designed to achieve program goals.

(5) Establish criteria for the designation, sanctioning and defunding of area agencies on aging.

(d) In conjunction with the management information and reporting system required under paragraph (5) of subdivision (a), beginning in the 2006 calendar year, the department shall annually submit by January 10 of each year, to the budget, fiscal, and policy committees of the Legislature, and the Legislative Analyst, all of the following information:

(1) The number of persons served statewide in each of the prior and current fiscal years for each state or federally funded program or service administered by the department. This information shall also be provided for each Area Agency on Aging service area.

(2) To the extent feasible, the number of unduplicated persons served statewide in the prior and current fiscal years for all state or federally funded programs and services administered by the department. To the extent feasible, this information shall also be provided for each Area Agency on Aging service area.

(3) Total estimated statewide expenditures in the prior, current, and budget fiscal years for each state or federally funded program or service administered by the department. This information shall also be provided for each Area Agency on Aging service area.

(e) The report required by subdivision (d) shall be suspended until the 2010–11 fiscal year. In lieu of that information, the department shall submit to the budget, fiscal, and policy committees of the Legislature, and the Legislative Analyst, by March 1 of each year, copies of the program factsheets for each state and federal program administered by the department. The department shall update the information included in the program factsheets annually, before submitting them as required by this subdivision.

SEC. 17. Section 9719 of the Welfare and Institutions Code is amended to read:

9719. (a) (1) The office shall sponsor a meeting of representatives of approved organizations at least twice each year. The office shall provide training to these representatives as appropriate. Prior to the certification of an ombudsman by the office, individuals shall meet both of the following requirements:

(A) Have a criminal offender record clearance conducted by the State Department of Social Services. A clearance pursuant to Section 1569.17 of the Health and Safety Code shall constitute clearances for the purpose of entry to any long-term care facility.

(B) Have received a minimum of 36 hours of classroom training approved by the office.

(2) Upon receipt of an applicant's criminal record clearance and acceptance by the office, the California Department of Aging shall issue a card identifying the bearer as a certified ombudsman. Each ombudsman shall receive a minimum of 12 hours of additional training annually.

(b) (1) Beginning July 1, 2007, the California Department of Aging shall contract with the State Department of Social Services to conduct a criminal offender record information search, pursuant to Section 1569.17 of the Health and Safety Code, for each applicant seeking certification as an ombudsman. The State Department of Social Services shall notify the individual and the office of the individual's clearance or denial.

(2) Within a reasonable time after July 1, 2007, the office shall seek the clearance of each ombudsman already certified or designated as of July 1, 2007.

(3) An applicant for certification as an ombudsman and any currently certified or designated ombudsman shall not be responsible for any costs associated with transmitting the fingerprint images and related information or conducting criminal record clearances.

(c) Nothing in this section shall be construed to prohibit the Department of Justice from assessing a fee pursuant to Section 11105 of the Penal Code to cover the cost of searching for or furnishing summary criminal offender record information.

SEC. 18. Section 10506 of the Welfare and Institutions Code is amended to read:

10506. (a) Except as otherwise required by Sections 10614 and 14100.5, the State Department of Health Services (Genetically Handicapped Persons, CCS, CHDP, and the caseload programs in the Genetic Disease Branch), State Department of Alcohol and Drug Programs (Drug Medi-Cal Program), Managed Risk Medical Insurance Board, State Department of Developmental Services, State Department of Mental Health, and Department of Child Support Services shall submit to the Department of Finance for its approval all assumptions underlying all estimates used to develop the departments' budgets by September 10 of each year, and those assumptions, as revised by, March 1 of the following year.

(b) The Department of Finance shall approve, modify, or deny the assumptions underlying all estimates within 15 working days of their submission. If the Department of Finance does not modify, deny, or otherwise indicate that the assumptions are open for consideration pending further information submitted by the department by that date, the assumptions as presented by the submitting department shall be deemed to be accepted by the Department of Finance as of that date.

(c) Each department or board described in subdivision (a) shall also submit an estimate of expenditures for each of the categorical aid programs in its budget to the Department of Finance by November 1 of each year and those estimates as revised by April 20 of the following year. Each estimate shall contain a concise statement identifying applicable estimate components, such as caseload, unit cost, implementation date, whether it is a new or continuing premise, and other assumptions necessary to support the estimate. The submittal shall include a projection of the fiscal impact of each of the approved assumptions related to a regulatory, statutory, or policy change, a detailed explanation of any changes to the base estimate projections from the previous estimate, and a projection of the fiscal impact of that change to the base estimate.

(d) Each department or board shall identify those premises to which either of the following applies:

(1) Have been discontinued since the previous estimate was submitted. The department or board shall provide a chart that tracks the history of each discontinued premise in the prior year, the current year, and the budget year.

(2) Have been placed in the basic cost line of the estimate package.

(e) In the event that the methodological steps employed in arriving at the estimates in May differ from those used in November of the preceding year, the department or board shall submit a descriptive narrative of the revised methodology. In addition, the estimates shall include fiscal charts that track appropriations from the Budget Act to the current Governor's Budget and May Revision for all fund sources for the prior year, current year and budget year. This information shall be provided to the Department of Finance, the Joint Legislative Budget Committee, the Health and Human Services Policy Committees, and the fiscal committees, along with other materials included in the annual May Revision of expenditure estimates.

(f) The estimates of average monthly caseloads, average monthly grants, total estimated expenditures, including administrative expenditures and savings or costs associated with all regulatory or statutory changes, as well as all supporting data provided by the department or developed independently by the Department of Finance, shall be made available to the Joint Legislative Budget Committee, the Health and Human Services Policy Committees, and the fiscal committees.

(g) On or after January 10, if the Department of Finance discovers a material error in the information provided pursuant to this section, the Department of Finance shall inform the consultants to the fiscal committees of the error in a timely manner.

(h) The departmental estimates, assumptions, and other supporting data prepared for purposes of this section shall be forwarded annually to the Joint Legislative Budget Committee, the Health and Human Services Policy Committees, and the fiscal committees of the Legislature, not later than January 10 and May 14 by the department or board if this information has not been released earlier by the Department of Finance.

(i) The requirements of this section do not apply to the State Department of Social Services estimate or the State Department of Health Services' Medi-Cal Program estimate, which are governed by Sections 10614 and 14100.5, respectively.

(j) The Department of Rehabilitation shall submit assumptions and an estimate of case services expenditures for the Vocational Rehabilitation (VR) program specifically detailing the VR supported employment and work activity elements in accordance with this part, except that assumptions shall be submitted only annually, on or before March 1, and an estimate of expenditures shall be submitted only annually, on or before April 20, to the Department of Finance. The departmental assumptions and the departmental estimate of expenditures shall be forwarded annually, on or before May 14, to the Joint Legislative Budget Committee, and to the health and human services policy committees and fiscal committees of the Legislature, if this information has not been released earlier by the Department of Finance.

SEC. 19. Section 10534.5 is added to the Welfare and Institutions Code, to read:

10534.5. (a) The department shall review the county plans developed pursuant to Section 10534 in order to identify promising practices in the areas of upfront engagement and reengagement of sanctioned families, and shall work with the County Welfare Directors Association (CWDA) and county welfare directors to gather information on implementation and results of these practices, that can inform future efforts to increase participation in welfare-to-work activities.

(b) The department, in conjunction with the CWDA, shall review the county plans and work with county welfare directors and the CWDA to determine what activities and strategies that counties are using to encourage participation among time-limited families, and gather information about the characteristics of the time-limited population.

(c) The department shall provide a written update to the Legislature on March 1, 2008, of the information required by subdivisions (a) and (b) that is gathered by that date. The department shall provide the final report of the information required by subdivisions (a) and (b) to the Legislature and county welfare directors, on or before September 1, 2008.

SEC. 20. Section 11320.32 of the Welfare and Institutions Code is amended to read:

11320.32. (a) The department shall administer a voluntary Temporary Assistance Program (TAP) for current and future CalWORKs recipients who meet the exemption criteria for work participation activities set forth in Section 11320.3, and are not single parents who have a child under the age of one year. Temporary Assistance Program recipients shall be entitled

to the same assistance payments and other benefits as recipients under the CalWORKs program. The purpose of this program is to provide cash assistance and other benefits to eligible families without any federal restrictions or requirements and without any adverse impact on recipients. The Temporary Assistance Program shall commence no later than April 1, 2009.

(b) CalWORKs recipients who meet the exemption criteria for work participation activities set forth in subdivision (b) of Section 11320.3, and are not single parents with a child under the age of one year, shall have the option of receiving grant payments, child care, and transportation services from the Temporary Assistance Program. The department shall notify all CalWORKs recipients and applicants meeting the exemption criteria specified in subdivision (b) of Section 11320.3, except for single parents with a child under the age of one year, of their option to receive benefits under the Temporary Assistance Program. Absent written indication that these recipients or applicants choose not to receive assistance from the Temporary Assistance Program, the department shall enroll CalWORKs recipients and applicants into the program. However, exempt volunteers shall remain in the CalWORKs program unless they affirmatively indicate, in writing, their interest in enrolling in the Temporary Assistance Program. A Temporary Assistance Program recipient who no longer meets the exemption criteria set forth in Section 11320.3 shall be enrolled in the CalWORKs program.

(c) Funding for grant payments, child care, transportation, and eligibility determination activities for families receiving benefits under the Temporary Assistance Program shall be funded with General Fund resources that do not count toward the state's maintenance of effort requirements under clause (i) of subparagraph (B) of paragraph (7) of subdivision (a) of Section 609 of Title 42 of the United States Code, up to the caseload level equivalent to the amount of funding provided for this purpose in the annual Budget Act.

(d) It is the intent of the Legislature that recipients shall have and maintain access to the hardship exemption and the services necessary to begin and increase participation in welfare-to-work activities, regardless of their county of origin, and that the number of recipients exempt under subdivision (b) of Section 11320.3 not significantly increase due to factors other than changes in caseload characteristics. All relevant state law applicable to CalWORKs recipients shall also apply to families funded under this section. Nothing in this section modifies the criteria for exemption in Section 11320.3.

(e) To the extent that this section is inconsistent with federal regulations regarding implementation of the Deficit Reduction Act of 2005, the department may amend the funding structure for exempt families to ensure consistency with these regulations, not later than 30 days after providing written notification to the chair of the Joint Legislative Budget Committee and the chairs of the appropriate policy and fiscal committees of the Legislature.

SEC. 21. Section 11363 of the Welfare and Institutions Code, as amended by Section 29.31 of Chapter 75 of the Statutes of 2006, is repealed.

SEC. 22. Section 11363 of the Welfare and Institutions Code, as amended by Section 3 of Chapter 528 of the Statutes of 2006, is amended to read:

11363. (a) Aid in the form of Kin-GAP shall be provided under this article on behalf of any child under 18 years of age who meets all of the following conditions:

(1) Has been adjudged a dependent child of the juvenile court pursuant to Section 300, or, effective October 1, 2006, a ward of the juvenile court pursuant to Section 601 or 602.

(2) Has been living with a relative for at least 12 consecutive months.

(3) Has had a kinship guardianship with that relative established as the result of the implementation of a permanent plan pursuant to Section 366.26.

(4) Has had his or her dependency dismissed after January 1, 2000, pursuant to Section 366.3, or his or her wardship terminated pursuant to subdivision (e) of Section 728, concurrently or subsequently to the establishment of the kinship guardianship.

(b) Kin-GAP payments shall continue after the child's 18th birthday if the conditions specified in Section 11403 are met.

(c) Termination of the guardianship with a kinship guardian shall terminate eligibility for Kin-GAP; provided, however, that if an alternate guardian or coguardian is appointed pursuant to Section 366.3 who is also a kinship guardian, the alternate or coguardian shall be entitled to receive Kin-GAP on behalf of the child pursuant to this article. A new period of 12 months of placement with the alternate guardian or coguardian shall not be required if that alternate guardian or coguardian has been assessed pursuant to Section 361.3 and the court terminates dependency jurisdiction.

SEC. 23. Section 11364 of the Welfare and Institutions Code, as amended by Section 29.4 of Chapter 75 of the Statutes of 2006, is repealed.

SEC. 24. Section 11364 of the Welfare and Institutions Code, as added by Section 29.5 of Chapter 75 of the Statutes of 2006, is amended to read:

11364. Notwithstanding subdivision (a) of Section 11450, the rate paid on behalf of children eligible for a Kin-GAP payment shall equal 100 percent of the rate for children placed in a licensed or approved home as specified in subdivisions (a) to (d), inclusive, of Section 11461. In addition, effective October 1, 2006, the rate paid for a child eligible for a Kin-GAP payment shall be increased by an amount equal to the clothing allowances, as set forth in subdivision (f) of Section 11461, to which the child would have been entitled while in foster care, including any applicable rate adjustments. In addition, effective October 1, 2006, if a child, while in foster care, received a specialized care increment, immediately prior to his or her enrollment in the Kin-GAP Program, as defined in paragraph (1) of subdivision (e) of Section 11461, the Kin-GAP rate shall be adjusted by the specialized care increment amount, including any applicable rate adjustments.

SEC. 25. Section 11367 of the Welfare and Institutions Code is amended to read:

11367. Kin-GAP, in an amount equal to the applicable regional per-child CalWORKs grant, shall be paid by the state. The supplemental clothing allowance shall be paid pursuant to paragraph (5) of subdivision (f) of Section 11461. The balance of Kin-GAP shall be paid in equal portions by the state and the counties. Notwithstanding Section 11216, effective July 1, 2006, the state share of benefits and administration of the Kin-GAP Program shall be funded with General Fund resources.

SEC. 26. Article 4.75 (commencing with Section 11380) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code is repealed.

SEC. 27. Section 11453 of the Welfare and Institutions Code is amended to read:

11453. (a) Except as provided in subdivision (c), the amounts set forth in Section 11452 and subdivision (a) of Section 11450 shall be adjusted annually by the department to reflect any increases or decreases in the cost of living. These adjustments shall become effective July 1 of each year, unless otherwise specified by the Legislature. For the 2000–01 fiscal year to the 2003–04 fiscal year, inclusive, these adjustments shall become effective October 1 of each year. The cost-of-living adjustment shall be calculated by the Department of Finance based on the changes in the California Necessities Index, which as used in this section means the weighted average changes for food, clothing, fuel, utilities, rent, and transportation for low-income consumers. The computation of annual adjustments in the California Necessities Index shall be made in accordance with the following steps:

(1) The base period expenditure amounts for each expenditure category within the California Necessities Index used to compute the annual grant adjustment are:

Food	$ 3,027
Clothing (apparel and upkeep)	406
Fuel and other utilities	529
Rent, residential	4,883
Transportation	1,757
Total	$10,602

(2) Based on the appropriate components of the Consumer Price Index for All Urban Consumers, as published by the United States Department of Labor, Bureau of Labor Statistics, the percentage change shall be determined for the 12-month period ending with the December preceding the year for which the cost-of-living adjustment will take effect, for each expenditure category specified in subdivision (a) within the following geographical areas: Los Angeles-Long Beach-Anaheim, San Francisco-Oakland, San Diego, and, to the extent statistically valid information is available from the Bureau of Labor Statistics, additional geographical areas within the state which include not less than 80 percent of recipients of aid under this chapter.

(3) Calculate a weighted percentage change for each of the expenditure categories specified in subdivision (a) using the applicable weighting factors for each area used by the State Department of Industrial Relations to calculate the California Consumer Price Index (CCPI).

(4) Calculate a category adjustment factor for each expenditure category in subdivision (a) by (1) adding 100 to the applicable weighted percentage change as determined in paragraph (2) and (2) dividing the sum by 100.

(5) Determine the expenditure amounts for the current year by multiplying each expenditure amount determined for the prior year by the applicable category adjustment factor determined in paragraph (4).

(6) Determine the overall adjustment factor by dividing (1) the sum of the expenditure amounts as determined in paragraph (4) for the current year by (2) the sum of the expenditure amounts as determined in subdivision (d) for the prior year.

(b) The overall adjustment factor determined by the preceding computation steps shall be multiplied by the schedules established pursuant to Section 11452 and subdivision (a) of Section 11450 as are in effect during the month of June preceding the fiscal year in which the adjustments are to occur and the product rounded to the nearest dollar. The resultant amounts shall constitute the new schedules which shall be filed with the Secretary of State.

(c) (1) No adjustment to the maximum aid payment set forth in subdivision (a) of Section 11450 shall be made under this section for the purpose of increasing the benefits under this chapter for the 1990–91, 1991–92, 1992–93, 1993–94, 1994–95, 1995–96, 1996–97, and 1997–98 fiscal years, and through October 31, 1998, to reflect any change in the cost of living. For the 1998–99 fiscal year, the cost-of-living adjustment that would have been provided on July 1, 1998, pursuant to subdivision (a) shall be made on November 1, 1998. No adjustment to the maximum aid payment set forth in subdivision (a) of Section 11450 shall be made under this section for the purpose of increasing the benefits under this chapter for the 2005–06 and 2006–07 fiscal years to reflect any change in the cost-of-living. Elimination of the cost-of-living adjustment pursuant to this paragraph shall satisfy the requirements of Section 11453.05, and no further reduction shall be made pursuant to that section.

(2) No adjustment to the minimum basic standard of adequate care set forth in Section 11452 shall be made under this section for the purpose of increasing the benefits under this chapter for the 1990–91 and 1991–92 fiscal years to reflect any change in the cost of living.

(3) In any fiscal year commencing with the 2000–01 fiscal year to the 2003–04 fiscal year, inclusive, when there is any increase in tax relief pursuant to the applicable paragraph of subdivision (a) of Section 10754 of the Revenue and Taxation Code, then the increase pursuant to subdivision (a) of this section shall occur. In any fiscal year commencing with the 2000–01 fiscal year to the 2003–04 fiscal year, inclusive, when there is no increase in tax relief pursuant to the applicable paragraph of subdivision (a)

of Section 10754 of the Revenue and Taxation Code, then any increase pursuant to subdivision (a) of this section shall be suspended.

(4) Notwithstanding paragraph (3), an adjustment to the maximum aid payments set forth in subdivision (a) of Section 11450 shall be made under this section for the 2002–03 fiscal year, but the adjustment shall become effective June 1, 2003.

(5) No adjustment to the maximum aid payment set forth in subdivision (a) of Section 11450 shall be made under this section for the purpose of increasing benefits under this chapter for the 2007–08 fiscal year.

(d) For the 2004–05 fiscal year, the adjustment to the maximum aid payment set forth in subdivision (a) shall be suspended for three months commencing on the first day of the first month following the effective date of the act adding this subdivision.

(e) Adjustments for subsequent fiscal years pursuant to this section shall not include any adjustments for any fiscal year in which the cost of living was suspended pursuant to subdivision (c).

SEC. 28. Section 11461 of the Welfare and Institutions Code is amended to read:

11461. (a) For children placed in a licensed or approved family home with a capacity of six or less, or in an approved home of a relative or nonrelated legal guardian, or the approved home of a nonrelative extended family member as described in Section 362.7, the per child per month rates in the following schedule shall be in effect for the period July 1, 1989, through December 31, 1989:

Age	Basic rate
0–4	$ 294
5–8	319
9–11	340
12–14	378
15–20	412

(b) (1) Any county that, as of October 1, 1989, has in effect a basic rate that is at the levels set forth in the schedule in subdivision (a), shall continue to receive state participation, as specified in subdivision (c) of Section 15200, at these levels.

(2) Any county that, as of October 1, 1989, has in effect a basic rate that exceeds a level set forth in the schedule in subdivision (a), shall continue to receive the same level of state participation as it received on October 1, 1989.

(c) The amounts in the schedule of basic rates in subdivision (a) shall be adjusted as follows:

(1) Effective January 1, 1990, the amounts in the schedule of basic rates in subdivision (a) shall be increased by 12 percent.

(2) Effective May 1, 1990, any county that did not increase the basic rate by 12 percent on January 1, 1990, shall do both of the following:

(A) Increase the basic rate in effect December 31, 1989, for which state participation is received by 12 percent.

(B) Increase the basic rate, as adjusted pursuant to subparagraph (A) by an additional 5 percent.

(3) (A) Except as provided in subparagraph (B), effective July 1, 1990, for the 1990–91 fiscal year, the amounts in the schedule of basic rates in subdivision (a) shall be increased by an additional 5 percent.

(B) The rate increase required by subparagraph (A) shall not be applied to rates increased May 1, 1990, pursuant to paragraph (2).

(4) Effective July 1, 1998, the amounts in the schedule of basic rates in subdivision (a) shall be increased by 6 percent. Notwithstanding any other provision of law, the 6-percent increase provided for in this paragraph shall, retroactive to July 1, 1998, apply to every county, including any county to which paragraph (2) of subdivision (b) applies, and shall apply to foster care for every age group.

(5) Notwithstanding any other provision of law, any increase that takes effect after July 1, 1998, shall apply to every county, including any county to which paragraph (2) of subdivision (b) applies, and shall apply to foster care for every age group.

(6) The increase in the basic foster family home rate shall apply only to children placed in a licensed foster family home receiving the basic rate or in an approved home of a relative or nonrelative extended family member, as described in Section 362.7 or nonrelated legal guardian receiving the basic rate. The increased rate shall not be used to compute the monthly amount that may be paid to licensed foster family agencies for the placement of children in certified foster homes.

(d) (1) (A) Beginning with the 1991–92 fiscal year, the schedule of basic rates in subdivision (a) shall be adjusted by the percentage changes in the California Necessities Index, computed pursuant to the methodology described in Section 11453, subject to the availability of funds.

(B) In addition to the adjustment in subparagraph (A) effective January 1, 2000, the schedule of basic rates in subdivision (a) shall be increased by 2.36 percent rounded to the nearest dollar.

(C) Effective January 1, 2008, the schedule of basic rates in subdivision (a), as adjusted pursuant to subparagraph (B), shall be increased by 5 percent, rounded to the nearest dollar. The increased rate shall not be used to compute the monthly amount that may be paid to licensed foster family agencies for the placement of children in certified foster family homes, and shall not be used to recompute the foster care maintenance payment that would have been paid based on the age-related, state-approved foster family home care rate and any applicable specialized care increment, for any adoption assistance agreement entered into prior to October 1, 1992, or in any subsequent reassessment for adoption assistance agreements executed before January 1, 2008.

(2) (A) Any county that, as of the 1991–92 fiscal year, receives state participation for a basic rate that exceeds the amount set forth in the schedule of basic rates in subdivision (a) shall receive an increase each year in state

participation for that basic rate of one-half of the percentage adjustments specified in paragraph (1) until the difference between the county's adjusted state participation level for its basic rate and the adjusted schedule of basic rates is eliminated.

(B) Notwithstanding subparagraph (A), all counties for the 1999–2000 fiscal year and the 2007–08 fiscal year shall receive an increase in state participation for the basic rate of the entire percentage adjustment described in paragraph (1).

(3) If a county has, after receiving the adjustments specified in paragraph (2), a state participation level for a basic rate that is below the amount set forth in the adjusted schedule of basic rates for that fiscal year, the state participation level for that rate shall be further increased to the amount specified in the adjusted schedule of basic rates.

(e) (1) As used in this section, "specialized care increment" means an approved amount paid with state participation on behalf of an AFDC-FC child requiring specialized care to a home listed in subdivision (a) in addition to the basic rate. On the effective date of this section, the department shall continue and maintain the current ratesetting system for specialized care.

(2) Any county that, as of the effective date of this section, has in effect specialized care increments that have been approved by the department, shall continue to receive state participation for those payments.

(3) Any county that, as of the effective date of this section, has in effect specialized care increments that exceed the amounts that have been approved by the department, shall continue to receive the same level of state participation as it received on the effective date of this section.

(4) (A) Except for subparagraph (B), beginning January 1, 1990, specialized care increments shall be adjusted in accordance with the methodology for the schedule of basic rates described in subdivision (c) and (d). No county shall receive state participation for any increases in a specialized care increment which exceeds the adjustments made in accordance with this methodology.

(B) Notwithstanding subdivision (e) of Section 11460, for the 1993–94 fiscal year, an amount equal to 5 percent of the State Treasury appropriation for family homes shall be added to the total augmentation for the AFDC-FC program in order to provide incentives and assistance to counties in the area of specialized care. This appropriation shall be used, but not limited to, encouraging counties to implement or expand specialized care payment systems, to recruit and train foster parents for the placement of children with specialized care needs, and to develop county systems to encourage the placement of children in family homes. It is the intent of the Legislature that in the use of these funds, federal financial participation shall be claimed whenever possible.

(f) (1) As used in this section, "clothing allowance" means the amount paid with state participation in addition to the basic rate for the provision of additional clothing for an AFDC-FC child, including, but not limited to, an initial supply of clothing and school or other uniforms.

(2) Any county that, as of the effective date of this section, has in effect clothing allowances, shall continue to receive the same level as it received on the effective date of this section.

(3) (A) Commencing in the 2007–08 fiscal year, for children whose foster care payment is the responsibility of Colusa, Plumas, and Tehama Counties, the amount of the clothing allowance may be up to two hundred seventy-four dollars ($274) per child per year.

(B) Each county listed in subparagraph (A) that elects to receive the clothing allowance shall submit a Clothing Allowance Program Notification to the department within 60 days after the effective date of the act that adds this paragraph.

(C) The Clothing Allowance Program Notification shall identify the specific amounts to be paid and the disbursement schedule for these clothing allowance payments.

(4) Beginning January 1, 1990, except as provided in paragraph (5), clothing allowances shall be adjusted annually in accordance with the methodology for the schedule of basic rates described in subdivision (c) and (d). No county shall be reimbursed for any increases in clothing allowances which exceed the adjustments made in accordance with this methodology.

(5) For the 2000–01 fiscal year and each fiscal year thereafter, without a county share of cost, notwithstanding subdivision (c) of Section 15200, each child shall be entitled to receive a supplemental clothing allowance of one hundred dollars ($100) per year subject to the availability of funds. The clothing allowance shall be used to supplement, and not supplant, the clothing allowance specified in paragraph (1).

SEC. 29. Section 11462 of the Welfare and Institutions Code is amended to read:

11462. (a) (1) Effective July 1, 1990, foster care providers licensed as group homes, as defined in departmental regulations, including public child care institutions, as defined in Section 11402.5, shall have rates established by classifying each group home program and applying the standardized schedule of rates. The department shall collect information from group providers beginning January 1, 1990, in order to classify each group home program.

(2) Notwithstanding paragraph (1), foster care providers licensed as group homes shall have rates established only if the group home is organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400. The department shall terminate the rate effective January 1, 1993, of any group home not organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400.

(3) (A) The department shall determine, consistent with the requirements of this chapter and other relevant requirements under law, the rate classification level (RCL) for each group home program on a biennial basis. Submission of the biennial rate application shall be made according to a schedule determined by the department.

(B) The department shall adopt regulations to implement this paragraph. The adoption, amendment, repeal, or readoption of a regulation authorized by this paragraph is deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted from the requirement to describe specific facts showing the need for immediate action.

(b) A group home program shall be initially classified, for purposes of emergency regulations, according to the level of care and services to be provided using a point system developed by the department and described in the report, "The Classification of Group Home Programs under the Standardized Schedule of Rates System," prepared by the State Department of Social Services, August 30, 1989.

(c) The rate for each RCL has been determined by the department with data from the AFDC-FC Group Home Rate Classification Pilot Study. The rates effective July 1, 1990, were developed using 1985 calendar year costs and reflect adjustments to the costs for each fiscal year, starting with the 1986–87 fiscal year, by the amount of the California Necessities Index computed pursuant to the methodology described in Section 11453. The data obtained by the department using 1985 calendar year costs shall be updated and revised by January 1, 1993.

(d) As used in this section, "standardized schedule of rates" means a listing of the 14 rate classification levels, and the single rate established for each RCL.

(e) Except as specified in paragraph (1), the department shall determine the RCL for each group home program on a prospective basis, according to the level of care and services that the group home operator projects will be provided during the period of time for which the rate is being established.

(1) (A) For new and existing providers requesting the establishment of an RCL, and for existing group home programs requesting an RCL increase, the department shall determine the RCL no later than 13 months after the effective date of the provisional rate. The determination of the RCL shall be based on a program audit of documentation and other information that verifies the level of care and supervision provided by the group home program during a period of the two full calendar months or 60 consecutive days, whichever is longer, preceding the date of the program audit, unless the group home program requests a lower RCL. The program audit shall not cover the first six months of operation under the provisional rate. Pending the department's issuance of the program audit report that determines the RCL for the group home program, the group home program shall be eligible to receive a provisional rate that shall be based on the level of care and service that the group home program proposes it will provide. The group home program shall be eligible to receive only the RCL determined by the department during the pendency of any appeal of the department's RCL determination.

(B) A group home program may apply for an increase in its RCL no earlier than two years from the date the department has determined the group

home program's rate, unless the host county, the primary placing county, or a regional consortium of counties submits to the department in writing that the program is needed in that county, that the provider is capable of effectively and efficiently operating the proposed program, and that the provider is willing and able to accept AFDC-FC children for placement who are determined by the placing agency to need the level of care and services that will be provided by the program.

(C) To ensure efficient administration of the department's audit responsibilities, and to avoid the fraudulent creation of records, group home programs shall make records that are relevant to the RCL determination available to the department in a timely manner. Except as provided in this section, the department may refuse to consider, for purposes of determining the rate, any documents that are relevant to the determination of the RCL that are not made available by the group home provider by the date the group home provider requests a hearing on the department's RCL determination. The department may refuse to consider, for purposes of determining the rate, the following records, unless the group home provider makes the records available to the department during the fieldwork portion of the department's program audit:

(i) Records of each employee's full name, home address, occupation, and social security number.

(ii) Time records showing when the employee begins and ends each work period, meal periods, split shift intervals, and total daily hours worked.

(iii) Total wages paid each payroll period.

(iv) Records required to be maintained by licensed group home providers under Title 22 of the California Code of Regulations that are relevant to the RCL determination.

(D) To minimize financial abuse in the startup of group home programs, when the department's RCL determination is more than three levels lower than the RCL level proposed by the group home provider, and the group home provider does not appeal the department's RCL determination, the department shall terminate the rate of a group home program 45 days after issuance of its program audit report. When the group home provider requests a hearing on the department's RCL determination, and the RCL determined by the director under subparagraph (E) is more than three levels lower than the RCL level proposed by the group home provider, the department shall terminate the rate of a group home program within 30 days of issuance of the director's decision. Notwithstanding the reapplication provisions in subparagraph (B), the department shall deny any request for a new or increased RCL from a group home provider whose RCL is terminated pursuant to this subparagraph, for a period of no greater than two years from the effective date of the RCL termination.

(E) A group home provider may request a hearing of the department's RCL determination under subparagraph (A) no later than 30 days after the date the department issues its RCL determination. The department's RCL determination shall be final if the group home provider does not request a hearing within the prescribed time. Within 60 days of receipt of the request

for hearing, the department shall conduct a hearing on the RCL determination. The standard of proof shall be the preponderance of the evidence and the burden of proof shall be on the department. The hearing officer shall issue the proposed decision within 45 days of the close of the evidentiary record. The director shall adopt, reject, or modify the proposed decision, or refer the matter back to the hearing officer for additional evidence or findings within 100 days of issuance of the proposed decision. If the director takes no action on the proposed decision within the prescribed time, the proposed decision shall take effect by operation of law.

(2) Group home programs that fail to maintain at least the level of care and services associated with the RCL upon which their rate was established shall inform the department. The department shall develop regulations specifying procedures to be applied when a group home fails to maintain the level of services projected, including, but not limited to, rate reduction and recovery of overpayments.

(3) The department shall not reduce the rate, establish an overpayment, or take other actions pursuant to paragraph (2) for any period that a group home program maintains the level of care and services associated with the RCL for children actually residing in the facility. Determinations of levels of care and services shall be made in the same way as modifications of overpayments are made pursuant to paragraph (2) of subdivision (b) of Section 11466.2.

(4) A group home program that substantially changes its staffing pattern from that reported in the group home program statement shall provide notification of this change to all counties that have placed children currently in care. This notification shall be provided whether or not the RCL for the program may change as a result of the change in staffing pattern.

(f) (1) The standardized schedule of rates for the 2002–03, 2003–04, 2004–05, 2005–06, 2006–07, and 2007–08 fiscal years is:

Rate Classification Level	Point Ranges	FY 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, and 2007-08 Standard Rate
1	Under 60	$1,454
2	60- 89	1,835
3	90-119	2,210
4	120-149	2,589
5	150-179	2,966
6	180-209	3,344
7	210-239	3,723
8	240-269	4,102
9	270-299	4,479
10	300-329	4,858
11	330-359	5,234
12	360-389	5,613
13	390-419	5,994

14	420 & Up	6,371

(2) (A) For group home programs that receive AFDC-FC payments for services performed during the 2002–03, 2003–04, 2004–05, 2005–06, 2006–07, and 2007–08 fiscal years, the adjusted RCL point ranges below shall be used for establishing the biennial rates for existing programs, pursuant to paragraph (3) of subdivision (a) and in performing program audits and in determining any resulting rate reduction, overpayment assessment, or other actions pursuant to paragraph (2) of subdivision (e):

Rate Classification Level	Adjusted Point Ranges for the 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, and 2007-08 Fiscal Years
1	Under 54
2	54- 81
3	82-110
4	111-138
5	139-167
6	168-195
7	196-224
8	225-253
9	254-281
10	282-310
11	311-338
12	339-367
13	368-395
14	396 & Up

(B) Notwithstanding subparagraph (A), foster care providers operating group homes during the 2002–03, 2003–04, 2004–05, 2005–06, 2006–07, and 2007–08 fiscal years shall remain responsible for ensuring the health and safety of the children placed in their programs in accordance with existing applicable provisions of the Health and Safety Code and community care licensing regulations, as contained in Title 22 of the Code of California Regulations.

(C) Subparagraph (A) shall not apply to program audits of group home programs with provisional rates established pursuant to paragraph (1) of subdivision (e). For those program audits, the RCL point ranges in paragraph (1) shall be used.

(g) (1) (A) For the 1999–2000 fiscal year, the standardized rate for each RCL shall be adjusted by an amount equal to the California Necessities Index computed pursuant to the methodology described in Section 11453. The resultant amounts shall constitute the new standardized schedule of rates, subject to further adjustment pursuant to subparagraph (B).

(B) In addition to the adjustment in subparagraph (A), commencing January 1, 2000, the standardized rate for each RCL shall be increased by

2.36 percent, rounded to the nearest dollar. The resultant amounts shall constitute the new standardized schedule of rates.

(2) Beginning with the 2000–01 fiscal year, the standardized schedule of rates shall be adjusted annually by an amount equal to the CNI computed pursuant to Section 11453, subject to the availability of funds. The resultant amounts shall constitute the new standardized schedule of rates.

(3) Effective January 1, 2001, the amount included in the standard rate for each Rate Classification Level (RCL) for the salaries, wages, and benefits for staff providing child care and supervision or performing social work activities, or both, shall be increased by 10 percent. This additional funding shall be used by group home programs solely to supplement staffing, salaries, wages, and benefit levels of staff specified in this paragraph. The standard rate for each RCL shall be recomputed using this adjusted amount and the resultant rates shall constitute the new standardized schedule of rates. The department may require a group home receiving this additional funding to certify that the funding was utilized in accordance with the provisions of this section.

(4) Effective January 1, 2008, the amount included in the standard rate for each RCL for the wages for staff providing child care and supervision or performing social work activities, or both, shall be increased by 5 percent, and the amount included for the payroll taxes and other employer-paid benefits for these staff shall be increased from 20.325 percent to 24 percent. The standard rate for each RCL shall be recomputed using these adjusted amounts, and the resulting rates shall constitute the new standardized schedule of rates.

(h) The standardized schedule of rates pursuant to subdivisions (f) and (g) shall be implemented as follows:

(1) Any group home program that received an AFDC-FC rate in the prior fiscal year at or above the standard rate for the RCL in the current fiscal year shall continue to receive that rate.

(2) Any group home program that received an AFDC-FC rate in the prior fiscal year below the standard rate for the RCL in the current fiscal year shall receive the RCL rate for the current year.

(i) (1) The department shall not establish a rate for a new program of a new or existing provider, or for an existing program at a new location of an existing provider, unless the provider submits a letter of recommendation from the host county, the primary placing county, or a regional consortium of counties that includes all of the following:

(A) That the program is needed by that county.

(B) That the provider is capable of effectively and efficiently operating the program.

(C) That the provider is willing and able to accept AFDC-FC children for placement who are determined by the placing agency to need the level of care and services that will be provided by the program.

(D) That, if the letter of recommendation is not being issued by the host county, the primary placing county has notified the host county of its intention to issue the letter and the host county was given the opportunity

30 days to respond to this notification and to discuss options with the primary placing county.

(2) The department shall encourage the establishment of consortia of county placing agencies on a regional basis for the purpose of making decisions and recommendations about the need for, and use of, group home programs and other foster care providers within the regions.

(3) The department shall annually conduct a county-by-county survey to determine the unmet placement needs of children placed pursuant to Section 300 and Section 601 or 602, and shall publish its findings by November 1 of each year.

(j) The department shall develop regulations specifying ratesetting procedures for program expansions, reductions, or modifications, including increases or decreases in licensed capacity, or increases or decreases in level of care or services.

(k) (1) For the purpose of this subdivision, "program change" means any alteration to an existing group home program planned by a provider that will increase the RCL or AFDC-FC rate. An increase in the licensed capacity or other alteration to an existing group home program that does not increase the RCL or AFDC-FC rate shall not constitute a program change.

(2) For the 1998–99, 1999–2000, and 2000–01 fiscal years, the rate for a group home program shall not increase, as the result of a program change, from the rate established for the program effective July 1, 2000, and as adjusted pursuant to subparagraph (B) of paragraph (1) of subdivision (g), except as provided in paragraph (3).

(3) (A) For the 1998–99, 1999–2000, and 2000–01 fiscal years, the department shall not establish a rate for a new program of a new or existing provider or approve a program change for an existing provider that either increases the program's RCL or AFDC-FC rate, or increases the licensed capacity of the program as a result of decreases in another program with a lower RCL or lower AFDC-FC rate that is operated by that provider, unless both of the following conditions are met:

(i) The licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program.

(ii) The county determines that there is no increased cost to the General Fund.

(B) Notwithstanding subparagraph (A), the department may grant a request for a new program or program change, not to exceed 25 beds, statewide, if both of the following conditions are met:

(i) The licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program.

(ii) The department determines that the new program or program change will result in a reduction of referrals to state hospitals during the 1998–99 fiscal year.

(*l*) General unrestricted or undesignated private charitable donations and contributions made to charitable or nonprofit organizations shall not be deducted from the cost of providing services pursuant to this section. The donations and contributions shall not be considered in any determination of maximum expenditures made by the department.

(m) The department shall, by October 1 of each year, commencing October 1, 1992, provide the Joint Legislative Budget Committee with a list of any new departmental requirements established during the previous fiscal year concerning the operation of group homes, and of any unusual, industrywide increase in costs associated with the provision of group care that may have significant fiscal impact on providers of group homes care. The committee may, in fiscal year 1993–94 and beyond, use the list to determine whether an appropriation for rate adjustments is needed in the subsequent fiscal year.

SEC. 30. Section 11463 of the Welfare and Institutions Code is amended to read:

11463. (a) (1) The department, with the advice, assistance, and cooperation of the counties and foster care providers, shall develop, implement, and maintain a ratesetting system for foster family agencies.

(2) No county shall be reimbursed for any percentage increases in payments, made on behalf of AFDC-FC funded children who are placed with foster family agencies, that exceed the percentage cost-of-living increase provided in any fiscal year beginning on January 1, 1990, as specified in subdivision (c) of Section 11461.

(b) The department shall develop regulations specifying the purposes, types, and services of foster family agencies, including the use of those agencies for the provision of emergency shelter care. A distinction, for ratesetting purposes, shall be drawn between foster family agencies that provide treatment of children in foster families and those that provide nontreatment services.

(c) The department shall develop and maintain regulations specifying the procedure for the appeal of department decisions about the setting of an agency's rate.

(d) On and after July 1, 1998, the schedule of rates, and the components used in the rate calculations specified in the department's regulations, for foster family agencies shall be increased by 6 percent, rounded to the nearest dollar. The resultant amounts shall constitute the new schedule of rates for foster family agencies.

(e) (1) On and after July 1, 1999, the schedule of rates and the components used in the rate calculations specified in the department's regulations for foster family agencies shall be adjusted by an amount equal to the California Necessities Index computed pursuant to Section 11453, rounded to the nearest dollar, subject to the availability of funds. The resultant amounts shall constitute the new schedule of rates for foster family agencies, subject to further adjustment pursuant to paragraph (2).

(2) In addition to the adjustment specified in paragraph (1), commencing January 1, 2000, the schedule of rates and the components used in the rate

calculations specified in the department's regulations for foster family agencies shall be increased by 2.36 percent, rounded to the nearest dollar. The resultant amounts shall constitute the new schedule of rates for foster family agencies.

(f) For the 1999–2000 fiscal year, foster family agency rates that are not determined by the schedule of rates set forth in the department's regulations, shall be increased by the same percentage as provided in subdivision (e).

(g) For the 2000–01 fiscal year and each fiscal year thereafter, without a county share of cost, notwithstanding subdivision (c) of Section 15200, the foster family agency rate shall be supplemented by one hundred dollars ($100) for clothing per year per child in care, subject to the availability of funds. The supplemental payment shall be used to supplement, and shall not be used to supplant, any clothing allowance paid in addition to the foster family agency rate.

(h) In addition to the adjustment made pursuant to subdivision (e), the component for social work activities in the rate calculation specified in the department's regulations for foster family agencies shall be increased by 10 percent, effective January 1, 2001. This additional funding shall be used by foster family agencies solely to supplement staffing, salaries, wages, and benefit levels of staff performing social work activities. The schedule of rates shall be recomputed using the adjusted amount for social work activities. The resultant amounts shall constitute the new schedule of rates for foster family agencies. The department may require a foster family agency receiving this additional funding to certify that the funding was utilized in accordance with the provisions of this section.

(i) The increased rate provided by subparagraph (C) of paragraph (1) of subdivision (d) of Section 11461 shall not be used to compute the monthly amount that may be paid to licensed foster family agencies for the placement of children in certified foster homes.

(j) (1) The department shall determine, consistent with the requirements of this section and other relevant requirements under law, the rate category for each foster family agency on a biennial basis. Submission of the biennial rate application shall be according to a schedule determined by the department.

(2) The department shall adopt regulations to implement this subdivision. The adoption, amendment, repeal, or readoption of a regulation authorized by this subdivision is deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted from the requirement to describe specific facts showing the need for immediate action.

SEC. 30.5. Section 11464 of the Welfare and Institutions Code is repealed.

SEC. 30.7. Section 11464 is added to the Welfare and Institutions Code, to read:

11464. (a) The Legislature finds and declares all of the following:

(1) Children who are consumers of regional center services and also receiving Aid to Families with Dependent Children-Foster Care (AFDC-FC) or Adoption Assistance Program (AAP) benefits have special needs that can require care and supervision beyond that typically provided to children in foster care. Clarifying the roles of the child welfare and developmental disabilities services systems will ensure that these children receive the services and support they need in a timely manner and encourage the successful adoption of these children, where appropriate.

(2) To address the extraordinary care and supervision needs of children who are consumers of regional center services and also receiving AFDC-FC or AAP benefits, it is necessary to provide a rate for care and supervision of these children that is higher than the average rate they would otherwise receive through the foster care system and higher than the rate other children with medical and other significant special needs receive.

(3) Despite the enhanced rate provided in this section, some children who are consumers of regional center services and also receiving AFDC-FC or AAP benefits may have care and supervision needs that are so extraordinary that they cannot be addressed within that rate. In these limited circumstances, a process should be established whereby a supplement may be provided in addition to the enhanced rate.

(4) Children who receive rates pursuant to this section shall be afforded the same due process rights as all children who apply for AFDC-FC and AAP benefits pursuant to Section 10950.

(b) Rates for children who are both regional center consumers and recipients of AFDC-FC benefits under this chapter shall be determined as provided in Section 4684 and this section.

(c) (1) The rate to be paid for 24-hour out-of-home care and supervision provided to children who are both consumers of regional center services pursuant to subdivision (d) of Section 4512 and recipients of AFDC-FC benefits under this chapter shall be two thousand six dollars ($2,006) per child per month.

(2) (A) The county, at its sole discretion, may authorize a supplement of up to one thousand dollars ($1,000) to the rate for children three years of age and older, if it determines the child has the need for extraordinary care and supervision that cannot be met within the rate established pursuant to paragraph (1). The State Department of Social Services and the State Department of Developmental Services, in consultation with stakeholders representing county child welfare agencies, regional centers, and children who are both consumers of regional center services and recipients of AFDC-FC or AAP benefits, shall develop objective criteria to be used by counties in determining eligibility for and the level of the supplements provided pursuant to this paragraph. The State Department of Social Services shall issue an all-county letter to implement these criteria within 120 days of the effective date of this act. The criteria shall take into account the extent to which the child has any of the following:

(i) Severe impairment in physical coordination and mobility.

(ii) Severe deficits in self-help skills.

(iii) Severely disruptive or self-injurious behavior.

(iv) A severe medical condition.

(B) The caregiver may request the supplement described in subparagraph (A) directly or upon referral by a regional center. Referral by a regional center shall not create the presumption of eligibility for the supplement.

(C) When assessing a request for the supplement, the county shall seek information from the consumer's regional center to assist in the assessment. The county shall issue a determination of eligibility for the supplement within 90 days of receipt of the request. The county shall report to the State Department of Social Services the number and level of rate supplements issued pursuant to this paragraph.

(d) (1) The rate to be paid for 24-hour out-of-home care and supervision provided for children who are receiving services under the California Early Start Intervention Services Act, are not yet determined by their regional center to have a developmental disability, as defined in subdivisions (a) and (*l*) of Section 4512, and are receiving AFDC-FC benefits under this chapter, shall be eight hundred ninety-eight dollars ($898) per child per month. If a regional center subsequently determines that the child is an individual with a developmental disability as that term is defined by subdivisions (a) and (*l*) of Section 4512, the rate to be paid from the date of that determination shall be consistent with subdivision (c).

(2) The rates to be paid for 24-hour out-of-home nonmedical care and supervision for children who are recipients of AFDC-FC and consumers of regional center services from a community care facility licensed pursuant to Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code and vendored by a regional center pursuant to Section 56004 of Title 17 of the California Code of Regulations, shall be the facility rate established by the State Department of Developmental Services.

(e) Rates paid pursuant to this section are subject to all of the following requirements:

(1) The rates paid to the foster care provider under subdivision (c) and paragraph (1) of subdivision (d) are only for the care and supervision of the child, as defined in subdivision (b) of Section 11460 and shall not be applicable to facilities described in paragraph (2) of subdivision (d).

(2) Regional centers shall separately purchase or secure the services that are contained in the child's Individualized Family Service Plan (IFSP) or Individual Program Plan (IPP), pursuant to Section 4684.

(3) In the event that the schedule of basic foster care rates, as specified in Section 11461, is increased on or after July 1, 2008, the rates in subdivisions (c), (d), and (f) shall be similarly adjusted. No county shall be reimbursed for any increase in this rate that exceeds the adjustments made in accordance with this methodology.

(f) (1) The AFDC-FC rates paid on behalf of a regional center consumer who is a recipient of AFDC-FC prior to July 1, 2007, shall remain in effect unless a change in the placement warrants redetermination of the rate or if the child is no longer AFDC-FC eligible. However, AFDC-FC rates paid on behalf of these children that are lower than the rates specified in paragraph

(1) of subdivision (c) or paragraph (1) of subdivision (d), respectively, shall be increased as appropriate to the amount set forth in paragraph (1) of subdivision (c) or paragraph (1) of subdivision (d), effective July 1, 2007, and shall remain in effect unless a change in the placement or a change in AFDC-FC eligibility of the child warrants redetermination of the rate.

(2) For a child who is receiving AFDC-FC benefits or for whom a foster care eligibility determination is pending, and for whom an eligibility determination for regional center services pursuant to subdivision (a) of Section 4512 is pending or approved, and for whom, prior to July 1, 2007, a State Department of Developmental Services facility rate determination request has been made and is pending, the rate shall be the State Department of Developmental Services facility rate determined by the regional center through an individualized assessment, or the rate established in paragraph (1) of subdivision (c), whichever is greater. The rate shall remain in effect until the child is no longer eligible to receive AFDC-FC, or, if still AFDC-FC eligible, is found ineligible for regional center services as an individual described in subdivision (a) of Section 4512. Other than the circumstances described in this section, regional centers shall not establish facility rates for AFDC-FC purposes.

(g) (1) The department shall adopt emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and for the purposes of that chapter, including Section 11349.6 of the Government Code, on or before July 1, 2009.

(2) The adoption of regulations pursuant to paragraph (1) shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety, and general welfare. The regulations authorized by this subdivision shall remain in effect for no more than 180 days, by which time final regulations shall be adopted.

(h) (1) The State Department of Social Services and the State Department of Developmental Services shall provide to the Joint Legislative Budget Committee, on a semiannual basis, the data set forth in paragraph (2) to facilitate Legislative review of the outcomes of the changes made by the addition of this section and the amendments made to Sections 4684 and 16121 by the act adding this section. The first report shall be submitted on October 1, 2007, with subsequent reports submitted on March 1 and October 1 of each year.

(2) The following data shall be provided pursuant to this subdivision:

(A) The number of, and services provided to, children who are consumers of regional center services and who are receiving AAP or AFDC-FC, broken out by children receiving the amount pursuant to paragraph (1) of subdivision (c), the amount pursuant to paragraph (1) of subdivision (d), and the level of supplement pursuant to subparagraph (A) of paragraph (2) of subdivision (c).

(B) A comparison of services provided to these children and similar children who are regional center consumers who do not receive AFDC-FC or AAP benefits, broken out by children receiving the amount pursuant to

paragraph (1) of subdivision (c), the amount pursuant to paragraph (1) of subdivision (d), and the level of supplement pursuant to subparagraph (A) of paragraph (2) of subdivision (c).

(C) The number and nature of appeals filed regarding services provided or secured by regional centers for these children, consistent with Section 4714, broken out by children receiving the amount pursuant to paragraph (1) of subdivision (c), the amount pursuant to paragraph (1) of subdivision (d), and the level of supplement pursuant to subparagraph (A) of paragraph (2) of subdivision (c).

(D) The number of these children who are adopted before and after the act adding this section, broken out by children receiving the amount pursuant to paragraph (1) of subdivision (c), the amount pursuant to paragraph (1) of subdivision (d), and the level of supplement pursuant to subparagraph (A) of paragraph (2) of subdivision (c).

(E) The number and levels of supplements requested pursuant to subparagraph (B) of paragraph (2) of subdivision (c).

(F) The number of appeals requested of the decision by counties to deny the request for the supplement pursuant to subparagraph (A) of paragraph (2) of subdivision (c).

(G) The total number and levels of supplements authorized pursuant to subparagraph (A) of paragraph (2) of subdivision (c) and the number of these supplements authorized upon appeal.

SEC. 31. Section 11465 of the Welfare and Institutions Code is amended to read:

11465. (a) When a child is living with a parent who receives AFDC-FC or Kin-GAP benefits, the rate paid to the provider on behalf of the parent shall include an amount for care and supervision of the child.

(b) For each category of eligible licensed community care facility, as defined in Section 1502 of the Health and Safety Code, the department shall adopt regulations setting forth a uniform rate to cover the cost of care and supervision of the child in each category of eligible licensed community care facility.

(c) (1) On and after July 1, 1998, the uniform rate to cover the cost of care and supervision of a child pursuant to this section shall be increased by 6 percent, rounded to the nearest dollar. The resultant amounts shall constitute the new uniform rate.

(2) (A) On and after July 1, 1999, the uniform rate to cover the cost of care and supervision of a child pursuant to this section shall be adjusted by an amount equal to the California Necessities Index computed pursuant to Section 11453, rounded to the nearest dollar. The resultant amounts shall constitute the new uniform rate, subject to further adjustment pursuant to subparagraph (B).

(B) In addition to the adjustment specified in subparagraph (A), on and after January 1, 2000, the uniform rate to cover the cost of care and supervision of a child pursuant to this section shall be increased by 2.36 percent, rounded to the nearest dollar. The resultant amounts shall constitute the new uniform rate.

(3) Subject to the availability of funds, for the 2000–01 fiscal year and annually thereafter, these rates shall be adjusted for cost of living pursuant to procedures in Section 11453.

(4) On and after January 1, 2008, the uniform rate to cover the cost of care and supervision of a child pursuant to this section shall be increased by 5 percent, rounded to the nearest dollar. The resulting amount shall constitute the new uniform rate.

(d) (1) Notwithstanding subdivisions (a) to (c), inclusive, the payment made pursuant to this section for care and supervision of a child who is living with a teen parent in a whole family foster home, as defined in subdivision (u) of Section 11400, shall equal the basic rate for children placed in a licensed or approved home as specified in subdivisions (a) to (d), inclusive, of Section 11461.

(2) The caregiver shall provide the county child welfare agency or probation department with a copy of the shared responsibility plan developed pursuant to Section 16501.25 and shall advise the county child welfare agency or probation department of any subsequent changes to the plan. Once the plan has been completed and provided to the appropriate agencies, the payment made pursuant to this section shall be increased by an additional two hundred dollars ($200) per month to reflect the increased care and supervision while he or she is placed in the whole family foster home.

(3) In any year in which the payment provided pursuant to this section is adjusted for the cost of living as provided in paragraph (1) of subdivision (c), the payments provided for in this subdivision shall also be increased by the same procedures.

SEC. 32. Section 11466.23 is added to the Welfare and Institutions Code, to read:

11466.23. (a) It is the intent of the Legislature to comply with the federal requirements of the Improper Payments Act of 2002 with respect to the remittance of the federal share of foster care overpayments.

(b) For the purposes of this section, a federal foster care or adoption assistance overpayment is defined as any amount of aid paid to which a foster care provider or adoption assistance recipient was not entitled, including any overpayment identified by a foster care provider as described in Section 11400, or federal Adoption Assistance Program recipient as described in Chapter 2.1 (commencing with Section 16115) of Part 4.

(c) Counties shall be required to remit the appropriate amount of federal funds upon identification of the overpayment, following the completion of due process.

(1) Counties shall not be required to repay the overpayment when any of the following occurs:

(A) The amount is legally uncollectible, including any amount legally uncollectible pursuant to Section 11466.24.

(B) The cost of collection exceeds the overpayment.

(C) The foster family agency or group home is no longer in business or licensed by the department.

(2) Remittance of overpayments of federal AFDC-FC funds and federal AAP funds not excluded by paragraph (1) shall be shared by the state and the counties based on a 40 percent state, 60 percent county sharing ratio. Upon actual collection of any overpayments from providers or recipients, the county shall ensure that the total amount reimbursed to the state reflects the federal and state share of the overpayment costs, as specified. All overpayments of federal AFDC-FC funds and federal AAP funds included in paragraph (1) shall be repaid completely with state funds.

(3) Nothing in this section shall inhibit existing county authority to collect overpayments.

(4) Nothing in this section shall inhibit existing county responsibility to remit voluntary overpayments upon collection.

(d) (1) The department shall adopt regulations to implement this section by December 31, 2008. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department, in consultation and coordination with the County Welfare Directors Association, may adopt emergency regulations to implement this section.

(2) The adoption of emergency regulations pursuant to subdivision (a) shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. The emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and shall remain in effect for no more than 180 days, by which time final regulations shall be adopted.

(e) The department may only require counties to remit payment of the federal share for overpayments upon identification that occur on or after the effective date of regulations adopted pursuant to this section.

SEC. 33. Section 11466.235 is added to the Welfare and Institutions Code, to read:

11466.235. (a) The department, in consultation and coordination with the County Welfare Directors Association (CWDA), shall update existing regulations and establish new regulations where lacking for the identification, determination, tracking, notification, and collection of foster care and adoption assistance overpayments by county agencies to foster care providers or adoption assistance recipients, and shall specify the required actions of county agencies, as appropriate, to recoup overpayments. In addition, the department, in consultation with the CWDA, shall develop specific processes to implement collection and repayment of overpaid federal AFDC-FC funds, including the development of a Notice of Action (NOA), due process procedures, voluntary repayment procedures, involuntary repayment procedures, and the accrual of interest. It is the intent of the Legislature that the recovery of unauthorized funds is done in a manner that does not jeopardize overall availability of placements for foster or adoptive children or the best interests of the foster or adoptive child.

(b) (1) No later than October 1, 2007, the department shall implement a process to obtain all necessary state approvals of advanced planning

documents for counties to implement automated solutions designed to minimize overpayments, and to submit the documents to the appropriate federal authority within 30 days of original submission by the county to the state. The process shall include a template to be used by counties for expedited state and federal approval of advanced planning documents designed to minimize overpayments.

(2) No later than December 31, 2007, the department shall implement a process for counties to obtain, at no charge, all necessary data from the Child Welfare Services Case Management System (CWS/CMS) to implement automated solutions designed to minimize overpayments, such as the system used by Alameda County, or a similar solution. The department shall notify the budget committees of the Legislature and the CWDA by October 1, 2007, if the department believes that the extract of this data could jeopardize the structural and data integrity of the information within the CWS/CMS. The department shall work with CWDA to mitigate these risks, if found.

(c) (1) The department shall modify existing regulations and adopt new regulations to implement this section by December 31, 2008. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department, in consultation with the CWDA, may adopt emergency regulations to implement this section.

(2) The adoption of emergency regulations pursuant to paragraph (1) shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. The emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and shall remain in effect for no more than 180 days, by which time final regulations shall be adopted.

SEC. 34. Section 11466.24 of the Welfare and Institutions Code is amended to read:

11466.24. (a) In accordance with this section, a county shall collect an overpayment, discovered on or after January 1, 1999, made to a foster family home, an approved home of a relative, an approved home of a nonrelative extended family member, or an approved home of a nonrelative legal guardian, for any period of time in which the foster child was not cared for in that home, unless any of the following conditions exist, in which case a county shall not collect the overpayment:

(1) The cost of the collection exceeds that amount of the overpayment that is likely to be recovered by the county. The cost of collecting the overpayment and the likelihood of collection shall be documented by the county. Costs that the county shall consider when determining the cost-effectiveness to collect are total administrative, personnel, legal filing fee, and investigative costs, and any other applicable costs.

(2) The child was temporarily removed from the home and payment was owed to the provider to maintain the child’s placement, or the child was temporarily absent from the provider’s home, or on runaway status and

subsequently returned, and payment was made to the provider to meet the child's needs.

(3) The overpayment was exclusively the result of a county administrative error or both the county welfare department and the provider were unaware of the information that would establish that the foster child was not eligible for foster care benefits.

(4) The provider did not have knowledge of, and did not contribute to, the cause of the overpayment.

(b) (1) After notification by a county of an overpayment to a foster family home, an approved home of a relative or a nonrelative extended family member, or an approved home of a nonrelative legal guardian, and a demand letter for repayment, the foster parent, approved relative, or approved nonrelative legal guardian may request the county welfare department to review the overpayment determination in an informal hearing, or may file with the department a request for a hearing to appeal the overpayment determination. Requesting an informal hearing shall not preclude a payee from seeking a formal hearing at a later date. The county welfare department shall dismiss the overpayment repayment request if it determines the action to be incorrect through an initial review prior to a state hearing, or through a review in an informal hearing held at the request of the foster parent, relative, or nonrelative legal guardian.

(2) If an informal hearing does not result in the dismissal of the overpayment, or a formal appeal hearing is not requested, or on the 30th day following a formal appeal hearing decision, whichever is later, the foster family provider overpayment shall be sustained for collection purposes.

(3) The department shall adopt regulations that ensure that the best interests of the child shall be the primary concern of the county welfare director in any repayment agreement.

(c) (1) The department shall develop regulations for recovery of overpayments made to any foster family home, approved home of a relative, or approved home of a nonrelative legal guardian. The regulations shall prioritize collection methods, that shall include voluntary repayment agreement procedures and involuntary overpayment collection procedures. These procedures shall take into account the amount of the overpayment and a minimum required payment amount.

(2) A county shall not collect an overpayment through the use of an involuntary payment agreement unless a foster family home, an approved home of a relative, or an approved home of a nonrelative legal guardian has rejected the offer of a voluntary overpayment agreement, or has failed to comply with the terms of the voluntary overpayment agreement.

(3) A county shall not be permitted to collect an overpayment through the offset of payments due to a foster family home, an approved home of a relative, or an approved home of a nonrelative legal guardian unless this method of repayment is requested by the provider in a voluntary repayment agreement, or other circumstances defined by the department by regulation.

(d) If a provider is successful in its appeal of a collected overpayment, it shall be repaid the collected overpayment plus simple interest based on the Surplus Money Investment Fund.

(e) A county may not collect interest on the repayment of an overpayment.

(f) There shall be a one-year statute of limitations from the date upon which the county determined that there was an overpayment.

SEC. 34.5. Section 12201 of the Welfare and Institutions Code is amended to read:

12201. (a) Except as provided in subdivision (d), the payment schedules set forth in Section 12200 shall be adjusted annually to reflect any increases or decreases in the cost of living. Except as provided in subdivision (e), these adjustments shall become effective January 1 of each year. The cost-of-living adjustment shall be based on the changes in the California Necessities Index, which as used in this section shall be the weighted average of changes for food, clothing, fuel, utilities, rent, and transportation for low-income consumers. The computation of annual adjustments in the California Necessities Index shall be made in accordance with the following steps:

(1) The base period expenditure amounts for each expenditure category within the California Necessities Index used to compute the annual grant adjustment are:

Food	$ 3,027
Clothing (apparel and upkeep)	406
Fuel and other utilities	529
Rent, residential	4,883
Transportation	1,757
Total	$10,602

(2) Based on the appropriate components of the Consumer Price Index for All Urban Consumers, as published by the United States Department of Labor, Bureau of Labor Statistics, the percentage change shall be determined for the 12-month period which ends 12 months prior to the January in which the cost-of-living adjustment will take effect, for each expenditure category specified in paragraph (1) within the following geographical areas: Los Angeles-Long Beach-Anaheim, San Francisco-Oakland, San Diego, and, to the extent statistically valid information is available from the Bureau of Labor Statistics, additional geographical areas within the state which include not less than 80 percent of recipients of aid under this chapter.

(3) Calculate a weighted percentage change for each of the expenditure categories specified in subdivision (a) using the applicable weighting factors for each area used by the State Department of Industrial Relations to calculate the California Consumer Price Index (CCPI).

(4) Calculate a category adjustment factor for each expenditure category in paragraph (1) by (1) adding 100 to the applicable weighted percentage change as determined in paragraph (2) and (2) dividing the sum by 100.

(5) Determine the expenditure amounts for the current year by multiplying each expenditure amount determined for the prior year by the applicable category adjustment factor determined in paragraph (4).

(6) Determine the overall adjustment factor by dividing (1) the sum of the expenditure amounts as determined in paragraph (4) for the current year by (2) the sum of the expenditure amounts as determined in paragraph (4) for the prior year.

(b) The overall adjustment factor determined by the preceding computational steps shall be multiplied by the payment schedules established pursuant to Section 12200 as are in effect during the month of December preceding the calendar year in which the adjustments are to occur, and the product rounded to the nearest dollar. The resultant amounts shall constitute the new schedules for the categories given under subdivisions (a), (b), (c), (d), (e), (f), and (g) of Section 12200, and shall be filed with the Secretary of State. The amount as set forth in subdivision (h) of Section 12200 shall be adjusted annually pursuant to this section in the event that the secretary agrees to administer payment under that subdivision. The payment schedule for subdivision (i) of Section 12200 shall be computed as specified, based on the new payment schedules for subdivisions (a), (b), (c), and (d) of Section 12200.

(c) The department shall adjust any amounts of aid under this chapter to insure that the minimum level required by the Social Security Act in order to maintain eligibility for funds under Title XIX of that act is met.

(d) (1) No adjustment shall be made under this section for the 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 2004, 2006 and 2007 calendar years to reflect any change in the cost of living. Elimination of the cost-of-living adjustment pursuant to this paragraph shall satisfy the requirements of Section 12201.05, and no further reduction shall be made pursuant to that section.

(2) Any cost-of-living adjustment granted under this section for any calendar year shall not include adjustments for any calendar year in which the cost of living was suspended pursuant to paragraph (1).

(e) For the 2003 calendar year, the adjustment required by this section shall become effective June 1, 2003.

(f) For the 2005 calendar year, the adjustment required by this section shall become effective April 1, 2005.

(g) (1) Commencing with the 2008 calendar year and in each calendar year thereafter, the annual adjustment required by this section shall be effective June 1 through May 31 of the following calendar year.

(2) Notwithstanding paragraph (1), the pass along of federal benefits provided for in Section 12201.05 shall be effective on January 1 of each calendar year.

SEC. 35. Section 12304.4 of the Welfare and Institutions Code is amended to read:

12304.4. (a) The department shall establish a program of direct deposit by electronic transfer for payments to in-home supportive services providers. A provider may choose to receive payments via direct deposit at his or her option. The department, the Controller, and the California Health and Human Services Agency shall make all necessary automation changes to allow for payment by direct deposit.

(b) On or before March 31, 2008, the department shall complete those items pertaining to the implementation of direct deposit over which they have independent control, or those items that do not depend on ongoing coordination with the office of the Controller in order to be completed. Examples of these items include, but are not limited to, rulemaking Case Management Information and Payroll Systems (CMIPS) modifications, provider notifications, and all-county letters. The department and the office of the Controller shall cooperate fully on coordination, implementation, and testing, on a timeframe that shall not delay implementation of the project. Notwithstanding any other provision of law, direct deposit for in-home supportive services providers shall be implemented on or before June 30, 2008.

(c) Notwithstanding any other provision of law, a person entitled to the receipt of direct payment as an individual provider pursuant to Section 12302.2 for providing in-home supportive services may authorize payment to be directly deposited by electronic fund transfer into the person's account at the financial institution of his or her choice under a program for direct deposit by electronic transfer established by the department.

SEC. 36. Section 14124.93 of the Welfare and Institutions Code is amended to read:

14124.93. (a) The Department of Child Support Services shall provide payments to the local child support agency of fifty dollars ($50) per case for obtaining third-party health coverage or insurance of beneficiaries, to the extent that funds are appropriated in the annual Budget Act.

(b) A county shall be eligible for a payment if the county obtains third-party health coverage or insurance for applicants or recipients of Title IV-D services not previously covered, or for whom coverage has lapsed, and the county provides all required information on a form approved by both the Department of Child Support Services and the State Department of Health Care Services.

(c) Payments to the local child support agency under this section shall be suspended for the 2003–04, 2004–05, 2005–06, 2006–07, and 2007–08 fiscal years.

SEC. 36.5. Section 16121 of the Welfare and Institutions Code is amended to read:

16121. (a) In accordance with the adoption assistance agreement, the adoptive family shall be paid an amount of aid based on the child's needs otherwise covered in AFDC-FC payments and the circumstance of the adopting parents but that shall not exceed the foster care maintenance payment that would have been paid based on the age related state-approved foster family home care rate, and any applicable specialized care increment,

for a child placed in a licensed or approved family home pursuant to subdivisions (a) to (d), inclusive, of Section 11461.

(b) Payment may be made on behalf of an otherwise eligible child in a state-approved group home or residential care treatment facility if the department or county responsible for determining payment has confirmed that the placement is necessary for the temporary resolution of mental or emotional problems related to a condition that existed prior to the adoptive placement. Out-of-home placements shall be in accordance with the applicable provisions of Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code and other applicable statutes and regulations governing eligibility for AFDC-FC payments for placements in in-state and out-of-state facilities. The designation of the placement facility shall be made after consultation with the family by the department or county welfare agency responsible for determining the Adoption Assistance Program (AAP) eligibility and authorizing financial aid. Group home or residential placement shall only be made as part of a plan for return of the child to the adoptive family, that shall actively participate in the plan. Adoption Assistance Program benefits shall not be authorized for payment of an eligible child's group home or residential treatment facility placement that exceeds an 18-month cumulative period of time for a specific episode or condition justifying that placement.

(c) (1) Payments on behalf of a child who is a recipient of AAP benefits who is also a consumer of regional center services shall be based on the rates established by the State Department of Social Services pursuant to Section 11464 and subject to the process described in paragraph (1) of subdivision (d) of Section 16119.

(2) (A) Except as provided for in subparagraph (B), this subdivision shall apply to adoption assistance agreements signed on or after July 1, 2007.

(B) Rates paid on behalf of regional center consumers who are recipients of AAP benefits and for whom an adoption assistance agreement was executed before July 1, 2007, shall remain in effect, and may only be changed in accordance with Section 16119.

(i) If the rates paid pursuant to adoption assistance agreements executed before July 1, 2007, are lower than the rates specified in paragraph (1) of subdivision (c) or paragraph (1) of subdivision (d) of Section 11464, respectively, those rates shall be increased, as appropriate and in accordance Section 16119, to the amount set forth in paragraph (1) of subdivision (c) or paragraph (1) of subdivision (d) of Section 11464, effective July 1, 2007. Once set, the rates shall remain in effect and may only be changed in accordance with Section 16119.

(ii) For purposes of this clause, for a child who is a recipient of AAP benefits or for whom the execution of an AAP agreement is pending, and who has been deemed eligible for or has sought an eligibility determination for regional center services pursuant to subdivision (a) of Section 4512, and for whom a determination of eligibility for those regional center services has been made, and for whom, prior to July 1, 2007, a maximum rate

determination has been requested and is pending, the rate shall be determined through an individualized assessment and pursuant to subparagraph (C) of paragraph (1) of subdivision (c) of Section 35333 of Title 22 of the California Code of Regulations as in effect on January 1, 2007, or the rate established in subdivision (b) of Section 11464, whichever is greater. Once the rate has been set, it shall remain in effect and may only be changed in accordance with Section 16119. Other than the circumstances described in this clause, regional centers shall not make maximum rate benefit determinations for the AAP.

(3) Regional centers shall separately purchase or secure the services contained in the child's IFSP or IPP, pursuant to Section 4684.

(4) Regulations adopted by the department pursuant to this subdivision shall be adopted as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 or the Government Code, and for the purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of these regulations is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health, safety, and general welfare. The regulations authorized by this paragraph shall remain in effect for no more than 180 days, by which time final regulations shall be adopted.

(d) (1) In the event that a family signs an adoption assistance agreement where a cash benefit is not awarded, the adopting family shall be otherwise eligible to receive Medi-Cal benefits for the child if it is determined that the benefits are needed pursuant to this chapter.

(2) Regional centers shall separately purchase or secure the services that are contained in the child's Individualized Family Service Plan (IFSP) or Individual Program Plan (IPP) pursuant to Section 4684.

(e) Subdivisions (a), (b), and (d) shall apply only to adoption assistance agreements signed on or after October 1, 1992.

(f) This section shall supersede the requirements of subparagraph (C) of paragraph (1) of Section 35333 of Title 22 of the California Code of Regulations.

SEC. 37. Section 16121.01 is added to the Welfare and Institutions Code, to read:

16121.01. Notwithstanding any other provision of law, the amount of aid to be paid to an adoptive family for any adoption assistance agreement executed prior to October 1, 1992, or the foster care maintenance payment based on the age-related, state-approved foster family home care rate and any applicable specialized care increment that would have been paid to an adoptive family for an adoption assistance agreement executed prior to January 1, 2008, shall not be adjusted pursuant to the rate increase specified in subparagraph (C) of paragraph (1) of subdivision (d) of Section 11461 in any subsequent reassessment on or after January 1, 2008.

SEC. 38. Section 16122 of the Welfare and Institutions Code is amended to read:

16122. (a) It is the intent of the Legislature in enacting this chapter to provide children who would otherwise remain in long-term foster care with permanent adoptive homes. It is also the intent of this Legislature to encourage private adoption agencies to continue placing these children, and in so doing, to achieve a substantial savings to the state in foster care costs.

(b) From any funds appropriated for this purpose, the state shall compensate private adoption agencies licensed pursuant to Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code for costs of placing for adoption children eligible for Adoption Assistance Program benefits pursuant to Section 16120.

These agencies shall be compensated for otherwise unreimbursed costs for the placement of these children in an amount not to exceed a total of three thousand five hundred dollars ($3,500) per child adopted. Half of the compensation shall be paid at the time the adoptive placement agreement is signed. The remainder shall be paid at the time the adoption petition is granted by the court. Requests for compensation shall conform to claims procedures established by the department. This section shall not be construed to authorize reimbursement to private agencies for intercountry adoption services.

(c) Effective July 1, 1999, the maximum amount of reimbursement pursuant to subdivision (b) shall be five thousand dollars ($5,000).

(d) Effective February 1, 2008, the maximum amount of reimbursement pursuant to subdivision (b) shall be ten thousand dollars ($10,000). This rate increase shall apply only to those cases for which the adoptive home study approval occurred on or after July 1, 2007.

(e) Commencing with the budget subcommittee hearings for the 2008–09 fiscal year, the State Department of Social Services shall review the reimbursement methodology for the program and annually provide information to the fiscal committees of the Legislature on all of the following:

(1) The costs and savings, to the extent that these can be assessed, associated with increasing the reimbursement rate.

(2) Outcome data, including the increased number of adoptive placements and finalized adoptions, and how these outcomes compare to prior years.

(3) The progress toward earning federal adoption incentives.

(4) The number of new agencies participating in the placement of children pursuant to this section.

SEC. 39. Section 16605 of the Welfare and Institutions Code is amended to read:

16605. (a) The department shall, subject to the availability of funds appropriated therefor, conduct a Kinship Support Services Program that is a grants-in-aid program providing startup and expansion funds for local kinship support services programs that provide community-based family support services to relative caregivers and the children placed in their homes by the juvenile court or who are at risk of dependency or delinquency. Relatives with children in voluntary placements may access services, at the discretion of the county.

(b) The Kinship Support Services Program shall create a public-private partnership. A combination of federal, state, county, and private sector resources shall finance the establishment and ongoing operation of the program.

(c) The counties that elect to participate in the program shall meet the following conditions and requirements:

(1) Have a demonstrated capacity for collaboration and interagency coordination.

(2) Have a viable plan for ongoing financial support of the local kinship support services program.

(3) Utilize relative caregivers as employees of the program.

(4) Have strong and viable public or private agencies to operate the program.

(5) Provide to the department the number of relative caretakers residing in the county, and the projected number of relative caretakers to be served.

(6) Describe how the county will develop and maintain the necessary community supports.

(7) Outline the county's outcome improvement goals for the program. These goals shall include, but shall not be limited to, moving children out of foster care and into the Kinship Guardian Assistance Payment Program (Kin-GAP), or adoption, placement stability, and preventing children from entering foster care. The county shall also agree to measure and report data regarding the Kinship Support Services Program, as required by the department.

(d) The Kinship Support Services Program shall demonstrate the use of supportive services provided to relative caregivers and children placed in their homes using a community-based kinship support services model. This model shall provide services to relative caregivers that are aimed at helping to ensure permanent family kinship placements for children who have been placed with them by the juvenile court, and to provide family support services that will eliminate the need for juvenile court jurisdiction and the provision of services by the county welfare department.

(e) The program shall provide family support services appropriate for the target populations. These services may include, but are not limited to, the following:

(1) Assessment and case management.

(2) Social services referral and intervention aimed at maintaining the kinship family unit, for example, housing, homemaker services, respite care, legal services, and day care.

(3) Transportation for medical care and educational and recreational activities.

(4) Information and referral services.

(5) Individual and group counseling in the area of parent-child relationships and group conflict.

(6) Counseling and referral services aimed at promoting permanency, including kinship adoption and guardianship.

(7) Tutoring and mentoring.

(f) The Edgewood Center for Children and Families in San Francisco or any other appropriate agency or individual approved by the department in consultation with the Statewide Kinship Advisory Committee shall provide technical assistance to the Kinship Support Services Program and shall facilitate the sharing of information and resources among the local programs.

SEC. 40. Section 18939.5 is added to the Welfare and Institutions Code, to read:

18939.5. Notwithstanding any other provision of law, an individual who naturalizes while receiving benefits under this article, who remains otherwise eligible for benefits under this article, and who applies for federally funded Supplemental Security Income (SSI) and fully cooperates in the application and administrative appeal process of the Social Security Administration, shall continue to receive benefits under this article until the individual receives SSI benefits or has exhausted all appeals for their initial federal SSI application. A recipient shall not be entitled to receive duplicate payments for any month.

SEC. 41. The amendments made by this act contained in clause (ii) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 1534, paragraph (2) of subdivision (c) of Section 1569.33, paragraph (2) of subdivision (c) of Section 1597.09, and paragraph (2) of subdivision (c) of Section 1597.55a of the Health and Safety Code shall be suspended for the 2007–08 fiscal year. The State Department of Social Services shall submit trailer bill language to the Legislature on or before February 1, 2008, that reflects appropriate indicators to trigger an annual increase in the number of facilities for which the department conducts unannounced visits. The department shall work with legislative staff, the Legislative Analyst's Office, and interested stakeholders to develop the indicators.

SEC. 42. The State Department of Education shall conduct a study and submit a report to the Legislature by September 2008 that will establish best statewide practices for the prevention, detection, identification, and investigation of improper payments and fraud in all subsidized child care programs. The report shall provide specific recommendations that will shape discussion towards establishing consistent policies across the state with regard to improper payments and suspected fraud in subsidized child care.

(a) The study shall incorporate elements utilized in national studies conducted by the federal Administration for Children and Families and information previously developed by the department and other state agencies.

(b) The study shall include a thorough analysis and recommendations on the role and responsibilities of the department.

(c) The study shall include an expansive review of the practices of local jurisdictions in their efforts to mitigate improper payments and suspected fraud in child care programs, particularly prevention efforts, and should assess those practices, determining which are "best practices" and indicating the bases for those determinations.

(d) The study shall establish a working definition of fraud that clearly distinguishes fraud from improper payments, and provide recommendations

as to how the department could provide guidance to child care contractors regarding fraud detection and prevention.

(e) The study shall address requirements for ensuring that effective due process protections are in place for subsidy recipients and child care providers when an improper payment or suspicion of fraud is at issue.

(f) The study shall gather any available information regarding the potential cost-effectiveness of fraud prevention, detection, investigation, and prosecution efforts.

(g) The study shall address internal control components for the department's child care contractor agencies, including written policies addressing standards for quality assurance, separation of duties, prohibition of conflicts of interest, and independent audit and oversight procedures.

SEC. 43. The Department of Rehabilitation shall count the exact number of Supported Employment Program (SEP) and Work Activity Program (WAP) consumers served by the department in the 2007–08 fiscal year and how much it cost the department to provide services to those consumers. If the costs are projected to exceed the amounts budgeted for SEP and WAP consumer services, the department shall identify funding options to meet those needs. The department shall submit this information to the budget and fiscal committees of the Legislature on January 10, 2008, and on May 14, 2008. The department shall also submit to the budget and fiscal committees of the Legislature by April 1, 2008, a proposed methodology for projecting case load and funding growth in the SEP and WAP for the 2008–09 and subsequent fiscal years.

SEC. 44. Any funds remaining of the four million four hundred forty-five thousand dollars ($4,445,000) appropriated in Item 5180-101-0001 of Section 2.00 of the Budget Act of 2007 to reimburse food banks and Foodlink for the storage and transportation costs of federally provided food incurred in the 2006–07 fiscal year in response to the freeze, shall be expended to respond to other emergency food needs throughout the state.

SEC. 45. The State Department of Social Services, in consultation with the County Welfare Directors Association, shall track the actual county costs to implement the requirements of the settlement agreement in Gomez, et al. v. Saenz for the 2007–08 fiscal year. To the extent that the actual costs differ from the amount estimated in the budget, the actual costs shall be used to update the premise commencing with the 2008–09 budget.

SEC. 46. The State Department of Social Services shall provide options for consideration by the administration and the Legislature for increasing the state's CalWORKs welfare-to-work participation. These options should address ways to structure the CalWORKs grant in order to maximize full-time work and promote family stability, as well as ideas for training and technical assistance the department could provide counties targeted at increasing the work participation rate. The department shall submit these options to the Joint Legislative Budget Committee, and to the Legislature's budget, fiscal, and human services committees, on or before October 1, 2007.

SEC. 47. (a) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, until emergency regulations are filed with the Secretary of State, the State Department of Social Services may implement the changes made by Sections 14, 15, 21 to 26, inclusive, and Sections 35, 39, and 40 of this act through all-county letters or similar instructions from the director. The department shall adopt emergency regulations, as necessary to implement those changes no later than July 1, 2009.

(b) The adoption of regulations pursuant to subdivision (a) shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. The emergency regulations authorized by this section shall be exempt from review by the Office of Administrative Law. The emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and shall remain in effect for no more than 180 days, by which time final regulations shall be adopted.

SEC. 48. Of the thirty-five million six hundred eighty-four thousand dollars ($35,684,000) appropriated in Item 5180-151-0001 of Section 2.00 of the Budget Act of 2007 for the Transitional Housing Program Plus, up to ten million five hundred twenty-five thousand dollars ($10,525,000) may be used for eligible costs incurred in the 2006–07 fiscal year.

SEC. 49. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make necessary statutory changes to implement the Budget Act of 2007 at the earliest possible time, it is necessary that this act take effect immediately.

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